



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/VENESHE FEREBEE-VINES
COMMISSION SECRETARY

DATE: JANUARY 6, 1998

SUBJECT: MURs 4407 & 4544 - First General Counsel's Report
dated December 23, 1997

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The above-captioned document was circulated to the Commission
on Monday, December 29, 1997.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

Commissioner Aikens	XXX
Commissioner Elliott	XXX
Commissioner McDonald	XXX
Commissioner McGarry	XXX
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for
Monday, January 13, 1998.

Please notify us who will represent your Division before the Commission on this
matter.

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

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DEC 23 9 50 AM '97

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Staff Members : Andre G. Pineda
Delanie DeWitt Painter
Joel J. Roessner
Delbert K. Rigsby

MUR 4407

Date Complaint Filed: July 2, 1996
Date of Notification: July 9, 1996
Date Activated: September 26, 1996

COMPLAINANT: Dole for President, Inc.

RESPONDENTS: Clinton/Gore '96 Primary Committee, Inc., and
Joan Pollitt, as treasurer

Democratic National Committee, and
Carol Pensky, as treasurer

President William J. Clinton (Internally Generated)

Vice President Albert Gore, Jr. (Internally Generated)

Clinton/Gore '96 General Committee, Inc., and
Joan Pollitt, as treasurer (Internally Generated)

MUR 4544

Date Complaint Filed: October 28, 1996
Date of Notification: November 1, 1996 (DNC)
July 24, 1997
(Primary Committee)
Date Activated: October 15, 1997

COMPLAINANT: Rebecca Roczen Carley, M.D.

9201-066-40-02
20-04-398-1026

RESPONDENTS:

Democratic National Committee and
Carol Pensky, as treasurer

Clinton/Gore '96 Primary Committee, Inc. and
Joan Pollitt, as treasurer

President William J. Clinton (Internally Generated)

Vice President Albert Gore, Jr. (Internally Generated)

Clinton/Gore '96 General Committee, Inc. and
Joan Pollitt, as treasurer (Internally Generated)

RELEVANT STATUTES/REGULATIONS:

2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 431(9)(A)(i)
2 U.S.C. § 431(17)
2 U.S.C. § 431(18)
2 U.S.C. § 434
2 U.S.C. § 434(a)(1)
2 U.S.C. § 434(b)(2)(C)
2 U.S.C. § 434(b)(4)
2 U.S.C. §§ 434(b)(4)(H)(i) and (iv)
2 U.S.C. § 437g(a)(1)
2 U.S.C. § 437g(a)(5)(B), (6)(C) and (d)(1)
2 U.S.C. § 437f(c)
2 U.S.C. § 441a(a)
2 U.S.C. § 441a(a)(2)(A)
2 U.S.C. § 441a(a)(7)(B)(i)
2 U.S.C. § 441a(b)
2 U.S.C. § 441a(b)(1)(A)
2 U.S.C. § 441a(b)(1)(B)
2 U.S.C. § 441a(b)(2)(B)
2 U.S.C. § 441a(c)
2 U.S.C. § 441a(d)
2 U.S.C. § 441a(d)(2)
2 U.S.C. § 441a(f)
2 U.S.C. § 441b
2 U.S.C. § 441b(a)
2 U.S.C. § 441e
2 U.S.C. § 441f
26 U.S.C. § 9002(2)
26 U.S.C. § 9003
26 U.S.C. § 9003(a) and (b)

26 U.S.C. § 9003(b)(1)
26 U.S.C. § 9003(b)(2)
26 U.S.C. § 9004
26 U.S.C. § 9004(a)(1)
26 U.S.C. § 9007(a)
26 U.S.C. § 9032(2)
26 U.S.C. §§ 9033
26 U.S.C. §§ 9033(a) and (b)(1)
26 U.S.C. § 9035
26 U.S.C. § 9035(a)
26 U.S.C. § 9036(a)
26 U.S.C. § 9038(a)
11 C.F.R. § 100.7(a)(1)(iii)
11 C.F.R. § 100.22
11 C.F.R. § 100.22(b)
11 C.F.R. § 102.5(a)(1)
11 C.F.R. § 102.5(a)(1)(i)
11 C.F.R. § 104.10(b)(1)
11 C.F.R. § 104.13(a)
11 C.F.R. §§ 104.13(a)(1) and (2)
11 C.F.R. § 106.5
11 C.F.R. § 106.5(a)
11 C.F.R. §§ 106.5(a)(2)(i) and (iv)
11 C.F.R. §§ 106.5(b)(2)(i) and (ii)
11 C.F.R. § 106.5(b)
11 C.F.R. § 106.5(d)
11 C.F.R. § 106.5(d)(1)
11 C.F.R. § 106.5(d)(1)(i)
11 C.F.R. § 106.5(d)(2)
11 C.F.R. § 109.1
11 C.F.R. § 110.7(a)(6)
11 C.F.R. § 110.8(a)(1)(iv)(A)
11 C.F.R. § 110.8(e)
11 C.F.R. § 110.8(e)(1), and (2)(i), (ii), (iii)
11 C.F.R. § 111.4
11 C.F.R. §§ 111.4(b)
11 C.F.R. §§ 111.4(d)
11 C.F.R. §§ 111.4(d)(1), (2), (3) and (4)
11 C.F.R. § 111.5(a) and (b)
11 C.F.R. § 111.6
11 C.F.R. §§ 114.2(a), (b)
11 C.F.R. § 9033.5(c)
11 C.F.R. § 9034.4(e)
11 C.F.R. § 9034.4(e)(5) and (6)(ii)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTERS

MUR 4407 was generated by a complaint filed by Dole for President, Inc. ("Dole Committee"). MUR 4544 was generated by a complaint filed by Rebecca Roczen Carley, M.D. The Dole Committee alleges that the Clinton/Gore '96 Primary Committee, Inc. ("Primary Committee") and Joan Pollitt, as treasurer, violated 2 U.S.C. § 441a(b) by failing to adhere to the expenditure limitations for publicly funded Presidential candidates.¹ Attachment 1. Moreover, the Dole Committee alleges that the Primary Committee violated 2 U.S.C. § 434 by failing to report expenditures that the Democratic National Committee ("DNC") made on its behalf. Alternatively, the Dole Committee alleges that the DNC violated 2 U.S.C. § 441a(d) by making coordinated party expenditures on behalf of the Primary Committee that exceeded the coordinated party expenditure limit for the 1996 election cycle, and that it violated 2 U.S.C. § 434 by failing to report these coordinated party expenditures. Dr. Carley alleges that the national Republican and Democratic parties are guilty of "clear cut criminal violations of campaign contribution laws" based on statements made by Ann McBride, president of Common Cause, that were aired on C-Span's Washington Journal. Attachment 22. As part of her

¹ The Primary Committee is the authorized committee of President William J. Clinton for his campaign for the Democratic nomination in the 1996 Presidential elections. The Primary Committee registered with the Commission on April 14, 1995 and received \$13,412,197.51 in public funds for the purpose of seeking the nomination. See 2 U.S.C. §§ 9033(a) and 9036(a). President Clinton received the nomination of the Democratic Party on August 28, 1996. The Clinton/Gore '96 General Committee, Inc. ("GEC") and Joan Pollitt, as treasurer, is the authorized committee for President Clinton and Vice President Albert Gore for the general election campaign. The GEC registered with the Commission on August 1, 1996, and received \$61,820,000 in public funds for the general election campaign. See 26 U.S.C. §§ 9003 and 9004.

complaint, Dr. Carley sent the Commission a videotape of Ms. McBride's appearance on C-Span.

II. FACTUAL AND LEGAL ANALYSIS

A. COMPLAINTS

1. MUR 4407

On July 2, 1996, the Dole Committee filed a complaint against the Primary Committee and the DNC. Attachment 1. The Dole Committee alleges that the Primary Committee attempted to circumvent the expenditure limit set forth at 2 U.S.C. § 441a(b) by "directing the DNC to make expenditures above and beyond [the expenditure] limit on behalf of the Campaign." *Id.* at 1. The complaint specifically refers to excerpts from *The Choice*, and states that "President Clinton personally directed and controlled from the White House several ad campaigns that were paid for by the DNC." *Id.* at 1-2. The Dole Committee contends that President Clinton "was apparently so intimately involved with the DNC advertising that he personally decided what photos should be used in the ads." *Id.* at 2. The complaint further asserts that campaign consultant Dick Morris and Robert Squier, head of the media firm Squier Knapp Ochs Communications ("SKO"), took direction from President Clinton, directed the day-to-day management of the advertisement campaign, and took these actions "in an apparent concerted effort to circumvent the spending limits." *Id.* The complaint also alleges that the cost of these advertisements is "at least \$25,000,000" and concludes that the advertisements should be "treated as [Primary Committee] expenditures" to prevent the Primary Committee from circumventing the expenditure limits. *Id.* The Dole Committee further maintains that the Primary Committee should be required to report the expenditures and asserts that the cost of

these advertisements, when added to the Primary Committee expenditures of \$12,861,948 as of May 31, 1996, would "bring the [Primary Committee] expenditures clearly over the \$30,910,000 limit." *Id.*

If the advertisements are not considered Primary Committee expenditures, then, the complaint alleges, the advertisements constitute coordinated expenditures pursuant to 2 U.S.C. § 441a(d). *Id.* at 3. The complaint asserts that because the cost of these advertisements totaled \$25,000,000, the DNC exceeded the coordinated expenditure limit set forth at 2 U.S.C. § 441a(d)(2). *Id.* The complaint claims that the DNC made coordinated party expenditures in connection with the general election campaign because its expenditures, although made during the primary campaign, were coordinated with a candidate who was assured of his party's nomination. *Id.* (citing AO 1984-15).

Finally, the complaint alleges that irrespective of whether the advertisements are Primary Committee expenditures or coordinated party expenditures for the general election, corporate funds were used to pay for the advertisements in violation of 2 U.S.C. § 441b. *Id.* The complaint refers to excerpts from *The Choice* and claims that these excerpts suggest that "the opportunity to use corporate money was a prime factor in the decision to run the ad campaigns through the DNC."² *Id.*

² The complaint also requested the Commission to suspend any further payments of matching funds to the Primary Committee. Attachment 1 at 4. On September 12, 1996, the Commission denied this request and issued a Statement of Reasons setting forth the basis for this denial.

2. MUR 4544

On October 21, 1996, Dr. Carley filed a complaint against the national Democratic party.³ Dr. Carley alleges that the national Democratic party is guilty of "clear cut criminal violations of campaign contribution laws" based on statements made by Ann McBride, president of Common Cause, that were aired on C-Span's Washington Journal. Attachment 20.⁴ Ms. McBride's comments were made during a press conference publicizing a complaint that Common Cause filed on October 9, 1996 with the United States Department of Justice. Attachment 25. The DOJ complaint requests that the Attorney General appoint an independent counsel to investigate whether the DNC and the Primary Committee criminally violated federal campaign finance laws.

In general, Common Cause alleges that the Primary Committee spent millions of dollars in excess of the overall presidential primary spending limit by having the DNC pay for television advertisements that benefited President Clinton at the direction of the Primary Committee.

Common Cause alleges that the money the DNC spent on the television advertisements was not counted against the spending limit applicable during the presidential primary period.

Specifically, it claims that "from the summer of 1995 through the summer of 1996, the [Primary] Committee ran an ad campaign through the [DNC] to promote President Clinton's reelection."

Id. at 16. Common Cause further contends that the Primary Committee spent at least \$34 million

3 Dr. Carley also alleged violations of campaign laws by the national Republican party. Attachment 22. This Report only discusses the alleged violations of the national Democratic party; violations of the national Republican party are addressed in MUR 4553. On August 21, 1997, Dr. Carley's allegations against the Republican party were severed from the allegations in MUR 4544, and were designated MUR 4671. MUR 4671 was activated October 15, 1997. The Office of General Counsel received additional correspondence from Dr. Carley on November 8, 1996 and November 25, 1996; the Office of General Counsel responded to this correspondence on November 19, 1996 and November 27, 1996, respectively. Attachment 21.

4 Dr. Carley ordered a videotape copy of Ms. McBride's appearance from C-Span to be sent to the Commission to supplement her complaint. On November 27, 1996, the Office of General Counsel received a copy of the videotape, which is contained in the official docket files for MUR 4544 and is available for review in the Office of General Counsel.

more on the television advertising campaign than "it was legally permitted to spend during the presidential primary campaign, and in doing so used at least \$22 million in 'soft money' contributions that cannot be legally used to directly support a presidential candidate." *Id.* at 17. Common Cause refers to *The Choice*, by Robert Woodward, as well as various press articles that discuss the television advertising campaign paid for by the DNC. Common Cause also asserts that Primary Committee agents designed, produced, and raised money to pay for the television advertisements, in addition to determining and making the advertisement placements. Moreover, it suggests that based on FEC disclosure reports, the DNC spent \$27 million on the advertisement campaign in 12 targeted states between July 1, 1995 and June 30, 1996. *Id.* at 22. Finally, Common Cause alleges that the television advertisements were "the same kind of ads that any candidate would run to promote his candidacy or criticize his opponent." *Id.* at 25.

B. RESPONSES

1. DNC Responses

On August 16, 1996, the DNC submitted its response to MUR 4407.⁵ Attachment 2. The DNC contends that the Commission should either dismiss the complaint or, in the alternative, find no reason to believe that it violated the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431 et seq. ("the Act"). *Id.* at 1.

The DNC argues that the complaint does not comply with 11 C.F.R. § 111.4(d)(3) because it does not contain "a recitation of *any* facts which describe a violation by the DNC of 2 U.S.C. § 441a(d)(2) or of any other statutory provision or regulation." *Id.* at 3. The DNC

⁵ On July 19, 1996, the DNC requested a 20-day extension of time to respond to the complaint. On July 23, 1996, the Office of General Counsel granted this request. Thus, the response was due by the close of business on August 16, 1996. On September 26, 1996, the DNC submitted a supplement to its response, which included a declaration by Robert D. Squier. Attachment 4.

maintains that the complaint fails to identify or describe the advertisements in question and fails to indicate the broadcast dates of the advertisements or their contents. *Id.* at 4. The DNC asserts that the complaint contains no facts suggesting or indicating that the advertisements conveyed an electioneering message as required by Advisory Opinion ("AO") 1985-14, and therefore, it made no coordinated party expenditures pursuant to 2 U.S.C. § 441a(d).⁶

The DNC further claims that even if the allegations of coordination were "legally relevant," the complaint contains no evidence to support them. *Id.* at 7. The DNC argues that *The Choice* is not "a factual or accurate report of the events and conversations it recounts" and "[i]t is not the kind of material that should be treated as substantial, cognizable evidence of anything." *Id.* The DNC asserts that even though the Commission permits complaints to be based on newspaper articles, such articles need to be "well-documented and substantial." *Id.* The DNC claims that the excerpts from *The Choice* in the complaint are neither well-documented nor substantial.⁷ *Id.* at 8.

The DNC makes the alternative argument that even if the Commission accepts the complaint pursuant to 11 C.F.R. § 111.4(d)(3), no violation of the Act has occurred, because the advertisements it ran during the 1995-96 election cycle were not subject to 2 U.S.C. § 441a(d)

⁶ The DNC further argues that under the "electioneering" test, the Commission presumes that a party coordinates its communications with its candidates. Attachment 2 at 5. The DNC, relying on *Colorado Republican Campaign Committee v. FEC*, 116 S.Ct. 2309 (1996), asserts that coordinated party expenditures are subject to limitation under 2 U.S.C. § 441a(d) only when the communication depicts a clearly identified candidate and contains an electioneering message. *Id.*

⁷ As an example of the inaccuracy of *The Choice*, the DNC cites a letter from the General Counsel to *The Washington Post* disputing statements that were attributed to him. Attachment 2 at 8. In addition, on September 26, 1996, the DNC submitted a sworn statement from Robert D. Squier, president of SKO, entitled "Presentation of Robert D. Squier." Attachment 4. Mr. Squier disputes several statements in *The Choice* that were attributed to him. *Id.*

under either the "electioneering message" standard (set forth in AOs 1985-14 and 1995-25), or the "express advocacy" standard (which the DNC contends is the appropriate standard). *Id.*

With respect to the electioneering message standard, the DNC claims that the advertisements it ran during the 1995-96 election cycle were legislative in nature and were the same type of advertisement as was described in AOs 1985-14 and 1995-25. The DNC contends that, pursuant to 2 U.S.C. § 437f(c), it was "clearly entitled" to rely on these advisory opinions in determining that its advertisements did not contain an electioneering message. *Id.* at 12.

The DNC argues that its advertisements likewise do not satisfy the definition of "expressly advocating" set forth at 11 C.F.R. § 100.22(b), nor do they "expressly advocate the election or defeat of any candidate" as that term has been defined by several courts.⁸ *Id.* at 12-16. The DNC further urges that the "express advocacy" standard, not the "electioneering message" standard, is proper test for determining whether expenditures for advertisements are subject to 2 U.S.C. § 441a(d). Specifically, the DNC asserts that the Commission should construe the limits of 2 U.S.C. § 441a(d) to apply only when a communication expressly advocates the election or defeat of a clearly identified candidate, because a broader construction would impair its ability to communicate party positions on various issues and would have a direct impact on its First Amendment associational rights. *Id.* at 16-22. The DNC further argues that "not all party expenditures that are coordinated with candidates implicate the statutory purposes [of 2 U.S.C. § 441a(d)]." *Id.* at 23. The DNC claims that it may need to communicate

⁸ The DNC cites *Federal Election Commission v. Christian Action Network*, No. 95-2600, 1996 U.S. App. LEXIS 19047 (4th Cir., August 2, 1996) (*per curiam*); *Maine Right to Life Committee, Inc. v. Federal Election Commission*, 914 F. Supp. 8 (D. Me. 1996); and *Federal Election Commission v. Survival Education Fund*, No. 89 Civ. 0347, 1994 U.S. Dist. LEXIS 210 (S.D.N.Y., Jan. 12, 1994), *aff'd in part, rev'd in part on other grounds*, 65 F.2d 285 (2d Cir. 1995).

with candidates because they are also "party officials, leaders and spokespersons" and that party positions and communications may need to be coordinated with one or more candidates. *Id.* at 25. Moreover, the DNC claims that 2 U.S.C. § 441a(d), if construed broadly, may be unconstitutionally vague because the DNC will be "required to guess at what point along the broad spectrum the limits of section 441a(d) will apply." *Id.* at 26.

On November 20, 1996, the DNC submitted its response to MUR 4544. Attachment 22. The DNC contends that the complaint does not directly name the DNC nor does it recite any facts that allege any violation of the Act. *Id.* The DNC argues that the complaint "merely alludes to statements made by Ann McBride of Common Cause" and that it is impossible for it to file any meaningful response to the complaint because it has not been provided a copy of the C-Span videotape.⁹ *Id.* As a result, the DNC asserts that it has "clearly been prejudiced." *Id.* Finally, the DNC argues that this Office may have failed to comply with 11 C.F.R. § 111.5(b) "since the receipt date on the complaint is illegible," and further argues that the service of the complaint is in violation of 11 C.F.R. § 111.5(a) since the complaint fails to meet the technical requirements of 11 C.F.R. § 111.4. *Id.* at 2. Accordingly, the DNC requests that the complaint be dismissed. *Id.*

⁹ On December 9, 1996, the Office of General Counsel forwarded a copy of the C-Span videotape to the DNC. The DNC has not amended its original response.

2. Primary Committee Responses

On August 19, 1996, the Primary Committee submitted its response to MUR 4407.¹⁰ Attachment 3. The Primary Committee contends that the Commission should either dismiss the complaint or, in the alternative, find no reason to believe that it violated the Act. *Id.* at 1.

The Primary Committee argues that the complaint fails to satisfy 11 C.F.R. § 111.4(d)(3) because it does not provide any facts, such as the contents and timing of the specific advertisements in question and how the cost of the advertisements was calculated, that constitute a violation of the Act. *Id.* at 2. The Primary Committee claims that the complaint's reliance on excerpts from *The Choice* is problematic because the author, Mr. Woodward, has no personal knowledge of any meetings that involved the President where the advertisements in question were discussed. *Id.* at 3. The Primary Committee maintains that due to his lack of personal knowledge, Mr. Woodward "admits that he is telling a 'story' and that this is simply one version of the story." *Id.* Moreover, the Primary Committee asserts that the complaint fails to state how the President controlled the advertisements in question. *Id.* In addition, the Primary Committee contends that the complaint fails to allege that the advertisements contain an electioneering message. *Id.*

The Primary Committee further argues that even if the Commission determines the complaint satisfies 11 C.F.R. § 111.4, the complaint must be dismissed because none of the advertisements contain an "electioneering message," and, at the time of its advertisement campaign, the DNC relied upon prior advisory opinions pursuant to 2 U.S.C. § 437f(c) in

¹⁰ On July 15, 1996, the Primary Committee requested a 20-day extension of time to respond to the complaint. On July 16, 1996, the Office of General Counsel granted this request; thus, the response was due by the close of business on August 19, 1996.

determining that its expenditures for the advertisements were not subject to 2 U.S.C. § 441a(d). *Id.* at 4-5, 9-10.. The Primary Committee claims that the advertisements are “materially indistinguishable from the ads considered by the Commission” in AOs 1985-14 and 1995-25. *Id.* at 4-5. In particular, the Primary Committee argues that the advertisements “do not mention or refer to any election” and that the advertisements “merely provide information on current congressional legislative proposals.” *Id.* at 10. The Primary Committee further asserts that references to the President, Senate Majority Leader Dole and House Speaker Gingrich in the advertisements relate solely to their respective officeholder positions. *Id.*

The Primary Committee also argues that, apart from the DNC’s reliance on prior advisory opinions addressing the “electioneering” standard, the DNC advertisements in fact contain neither “express advocacy,” nor an “electioneering message.” *Id.* at 5-10. Like the DNC, the Primary Committee urges that “express advocacy” is the appropriate test, and argues that the advertisements do not expressly advocate the election or defeat of a clearly identified candidate under 11 C.F.R. § 100.22. *Id.* at 5-7. The Primary Committee claims that reasonable minds could not dispute that the advertisements “urged viewers to do -- *nothing*,” and that the advertisements “do not provide explicit directives to vote against these politicians.” *Id.* at 8-9. The Primary Committee argues that all of the advertisements ran while related legislation was actively under consideration by Congress. *Id.* at 9. Moreover, the Primary Committee asserts that the complaint’s claim that the President controlled the advertising campaign is meaningless under 11 C.F.R. § 100.22 and 2 U.S.C. § 441a(d) because “[t]he candidate is presumed to be coordinating with his or her party’s expenditures.” *Id.*

On August 13, 1997, the Primary Committee submitted its response to MUR 4544.¹¹ Attachment 23. The Primary Committee claims that the complaint contains no reference to the Primary Committee nor does it contain a description of "any facts constituting a violation of the Act." *Id.* at 1. The Primary Committee also notes that the complaint "oblique[ly]" refers to statements made by Ms. McBride and provides no other facts of her own knowledge or personal belief. *Id.* The Primary Committee argues that because it was notified of the complaint 266 days after it was filed, rather than within five days, the complaint is defective under 2 U.S.C. § 437g(a)(1). *Id.* at 2.

In the alternative, the Primary Committee asserts that the complaint fails to meet the requirements of a valid complaint set forth at 11 C.F.R. § 111.4(d)(3) because it fails to provide any facts which might constitute a violation of the Act or any Commission regulations. *Id.* The Primary Committee argues that a complaint cannot be based solely on information that identifies potential violations of the law, but that the complainant must identify within it the alleged violations of the law. *Id.* The Primary Committee further argues that the complaint is "completely devoid of any facts" and contains only statements made by Ms. McBride; thus, it asserts that the complaint contains no factual allegations that "even suggest a possible violation of the law." *Id.* Due to the absence of any facts, the Primary Committee alleges that it cannot provide a meaningful response because "there is nothing to respond to." *Id.* at 3. However, the Primary Committee states that if the Commission construes the complaint as valid, it incorporates by reference its response to MUR 4407. *Id.*

¹¹ The Central Enforcement Docket transferred MUR 4544 to the Public Financing, Ethics and Special Projects Section on July 18, 1997. The Primary Committee was served with a copy of Dr. Carley's complaint on July 24, 1997.

C. VALIDITY OF COMPLAINTS

Any person who believes that a violation of the federal election campaign laws¹² has occurred may file a complaint with the Commission. 2 U.S.C. § 437g(a)(1). A complaint shall provide the full name and address of the complainant, and the contents of the complaint shall be sworn to and signed in the presence of a notary public and notarized. 11 C.F.R. § 111.4(b). The complaint should clearly identify as a respondent each person or entity who is alleged to have committed a violation; identify the source of information which gives rise to the complainant's belief in the truth of statements which are not based on the complainant's personal knowledge; contain a clear and concise recitation of the facts which describe a violation; and be accompanied by any documentation supporting the facts alleged if such documentation is known of, or available to, the complainant. 11 C.F.R. § 111.4(d).¹³

The Office of General Counsel concludes that the complaints in MURs 4407 and 4544 are legally sufficient. The complaints each contain the full name and address of the complainants and were signed and sworn in the presence of a notaries public.

The complaints also comply with the recommended factors stated at 11 C.F.R. § 111.4(d). For instance, the complaint in MUR 4407 clearly identifies the DNC and Primary Committee as respondents who are alleged to have committed violations of the Act and the Presidential Primary Matching Payment Account Act, as amended, 26 U.S.C. §§ 9031 et seq. ("Matching Payment Act"). See 11 C.F.R. § 111.4(d)(1). Although the complainant did not

¹² These laws consist of the Act, the Presidential Election Campaign Fund Act, as amended, 26 U.S.C. §§ 9001 et seq. and the Presidential Primary Matching Payment Account Act, as amended, 26 U.S.C. §§ 9031 et seq.

¹³ The Office of General Counsel notifies complainants when they do not comply with the factors set forth at 11 C.F.R. § 111.4.

have personal knowledge of the violations, the complainant refers to *The Choice* and the Primary Committee disclosure reports as the source of the information which gives rise to its belief in the truth of its assertions. See 11 C.F.R. § 111.4(d)(2).¹⁴ The complaint also contains a clear and concise recitation of factual allegations which, as discussed below, describe violations of a statute or regulation over which the Commission has jurisdiction. See 11 C.F.R. § 111.4(d)(3).¹⁵

The complaint in MUR 4544 also meets the requirements of 11 C.F.R. § 111.4(d). It identifies the national Democratic party as an entity who is alleged to have committed violations of the Act and the Matching Payment Act. See 11 C.F.R. § 111.4(d)(1). Although the complaint in MUR 4544 does not specifically name the Primary Committee as a respondent who allegedly committed a violation, statements made by Ms. McBride, which are part of the complaint, clearly refer to violations of federal campaign laws allegedly committed by the Primary Committee. Moreover, in references in the complaint and in forwarding the videotape to the Commission, Dr. Carley identified the source of information which gave rise to her belief in the truth of her assertions against the DNC and the Primary Committee. See 11 C.F.R. § 111.4(d)(2). The complaint in MUR 4544 also contains a clear and concise recitation of factual allegations which,

¹⁴ On November 15, 1979, the Commission determined to continue to accept complaints based on newspaper articles containing substantive facts. Commission Memorandum 663. This Office believes that books containing substantive facts are no different from newspaper articles containing substantive facts. The attached excerpts from *The Choice* contain substantive factual allegations, such as named persons, particular acts and possible violations of federal election campaign laws. See MUR 1641 (complaint satisfied Commission criteria when it referred to newspaper article naming particular persons, acts, and alleged violations of the Act). Additional information obtained from *Behind the Oval Office*, a book written by a close advisor to the President, and various newspaper articles bolsters the allegations made in the complaints. See, e.g., Attachments 10 (*Boston Globe* article dated February 23, 1997) and 12 (*National Journal* article dated May 11, 1996).

¹⁵ Although the complaint does not mention any particular advertisements, the Office of General Counsel believes that the complaint's reference to excerpts from *The Choice*, which are attached as a complaint exhibit, is sufficient to constitute a "clear and concise recitation of the facts." 11 C.F.R. § 111.4(d)(3).

as discussed in detail below, describes a violation of statutes and regulations over which the Commission has jurisdiction. See 11 C.F.R. § 111.4(d)(3).¹⁶

Finally, both complaints are accompanied by documentation available to the complainants, which supports the alleged facts. See 11 C.F.R. § 111.4(d)(4). The complaint in MUR 4407 contains excerpts from *The Choice* describing the advertisements and meetings between the President, Vice President Gore, Primary Committee officials and DNC representatives. The complaint in MUR 4407 also contains disclosure reports filed by the Primary Committee. The complaint in MUR 4544 was supplemented with a videotape copy of Ms. McBride's C-Span appearance. Therefore, this Office believes that the complaints satisfy the requirements of 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4(b), as well as the suggestions of 11 C.F.R. §§ 111.4(d)(1)-(4).¹⁷

16 The Office of General Counsel believes that videotape copies of press conferences which allege substantive facts are no different than newspaper articles or books which allege substantive facts. See *supra* note 14. Like newspapers articles that are referred to in other complaints, the videotape copy of Ms. McBride's appearance, which includes references to the DOJ complaint, as well as the sources cited within the DOJ complaint, demonstrate that the alleged violations of the Act, the Matching Payment Act and the Fund Act by the DNC and the Primary Committee were based on substantive allegations. See MUR 1641 (complaint satisfied Commission criteria when it referred to newspaper article naming particular persons, acts, and alleged violations of the Act).

17 The Primary Committee asserts that the MUR 4544 complaint is defective because it received notification 266 days after the complaint was filed, not within five days as required by 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.5(a). Attachment 23 at 2. The Office of General Counsel believes that the failure to notify a respondent within the five-day period does not result in dismissal of the complaint against that respondent because the five-day notification period is non-jurisdictional. See 11 C.F.R. § 111.5(a). So long as the Office of General Counsel notifies a respondent of a complaint, and the respondent is given copies of the complaint, any relevant materials that accompanied the complaint, and compliance procedures, as well as a 15-day opportunity to respond to the complaint pursuant to 11 C.F.R. § 111.6, the respondent is not prejudiced from the untimely notification. The Primary Committee was given such information and the requisite time period to respond to the complaint.

The DNC also argues that it was entitled to, but did not receive, five days notice pursuant to 11 C.F.R. § 111.5(b) in MUR 4544. However, because this Office concludes that the complaint in MUR 4544 is sufficient, the DNC's argument is moot.

D. LAW

1. Contribution Limitations

The Act prohibits multicandidate political committees from making contributions to any candidate and his or her authorized political committees with respect to any election for federal office which, in the aggregate, exceed \$5,000. 2 U.S.C. § 441a(a)(2)(A). Similarly, no candidate or political committee shall knowingly accept any contribution that violates the contribution limitations. 2 U.S.C. § 441a(f). Publicly-funded general election candidates are barred from accepting any private contributions. *See* 26 U.S.C. § 9003(b)(2).

Corporations and labor unions cannot make contributions in connection with federal elections. 2 U.S.C. § 441b(a); 11 C.F.R. §§ 114.2(a), (b). No candidate or political committee shall knowingly accept such a prohibited contribution. A political committee that accepts contributions from corporations and/or labor unions for permissible purposes must establish separate accounts or committees for the receipt of federal and non-federal funds. 11 C.F.R. § 102.5(a). A political committee that maintains both federal and non-federal accounts shall make disbursements for federal elections from its federal account only. 11 C.F.R. § 102.5(a)(1)(i); *see also* in *Colorado Republican Campaign Committee v. FEC*, 116 S.Ct. 2309, 2316 (1996) (“Unregulated soft money contributions may not be used to influence a federal campaign.”)

A contribution includes any gift, subscription, loan, advance, deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i). “Anything of value” includes all in-kind contributions. 11 C.F.R. § 100.7(a)(1)(iii). An expenditure includes any purchase, payment, distribution, loan,

advance, deposit, gift of money or anything of value, made by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(9)(A)(i). "Anything of value" includes in-kind contributions. 11 C.F.R. § 110.8(a)(1)(iv)(A).

An expenditure made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees or their agents shall be considered a contribution to such candidate. 2 U.S.C. § 441a(a)(7)(B)(i). In *Buckley v. Valeo*, 424 U.S. 1, 78 (1976), the Supreme Court of the United States explicitly recognized that expenditures made in coordination with candidates are "contributions" within the meaning of the Act. As the Court stated, the term "contribution" includes "not only contributions made directly or indirectly to a candidate, political party, or campaign committee . . . but also *all* expenditures placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate," and found that, "[s]o defined, 'contributions' have a sufficiently close relationship to the goals of the Act, for they are connected with a candidate or his campaign." 424 U.S. at 78. The Court held that payments for communications that are independent from the candidate, his or her committee, and his or her agents are free from governmental regulation so long as the communications do not "in express terms advocate the election or defeat of a clearly identified candidate for federal office." 424 U.S. at 44, 46-47. The Court held that communications that are authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate are to be treated as expenditures of the candidate and contributions by the person or group making the expenditure. 424 U.S. at 46-47 at note 53. The Court stated that coordinated expenditures are treated as in-kind contributions subject to the contribution limitations in order to "prevent attempts to circumvent the Act

through prearranged or coordinated expenditures amounting to disguised contributions.” 424 U.S. at 46-47.

Subsequent cases have reiterated these basic principles. In *FEC v. Massachusetts Citizens for Life, Inc.*, the Court stated that expenditures by corporations that are made independent of any coordination with a candidate are prohibited by 2 U.S.C. § 441b only if they “expressly advocate the election or defeat of a clearly identified candidate.” 479 U.S. 238, 248-49, 256 (1986)(quoting *Buckley*, 424 U.S. at 80). More recently, in *Colorado Republican Campaign Committee v. FEC*, the Court held that political parties may make independent expenditures on behalf of their congressional candidates without limitation. 116 S.Ct. 2309 (1996). In *Colorado*, the Court reiterated the *Buckley* distinction between independent expenditures and coordinated contributions, and focused on whether the expenditures in that case were in fact coordinated. The Court noted that in previous cases, it had found constitutional “limits that apply both when an individual or political committee contributes money directly to a candidate and also when they indirectly contribute by making expenditures that they coordinate with the candidate, § 441a(a)(7)(B)(i).” 116 S.Ct. at 2313. The Court’s plurality opinion expressly declined to address the issue of whether limitations on coordinated expenditures by political parties are constitutionally permissible. The opinion notes the similarities between coordinated expenditures and contributions: “many such expenditures are also virtually indistinguishable from simple contributions (compare, for example, a donation of money with direct payment of a candidate’s media bills. . .).” 116 S.Ct. at 2320.

2. Coordinated Party Expenditures

The national committee of a political party may make expenditures in connection with the general election campaign of its Presidential candidate that do not exceed an amount equal to two cents multiplied by the voting age population of the United States. 2 U.S.C. § 441a(d)(2). These "coordinated party expenditures" on behalf of a national party committee's candidate in the Presidential general election campaign are not subject to, and do not count toward, the contribution and expenditure limitations found at 2 U.S.C. §§ 441a(a) and (b).¹⁸ 2 U.S.C. § 441a(d). A coordinated party expenditure allows party committees to engage in activity that would otherwise result in an excessive in-kind contribution to a candidate. In *Colorado*, the Supreme Court stated that section 441a(d) creates an exception from the \$5,000 contribution limitation for political parties, and creates substitute limitations on party expenditures. 116 S.Ct. at 2313-2314. Conversely, a coordinated party expenditure in excess of the 2 U.S.C. § 441a(d)(2) limitations would constitute an excessive in-kind contribution from the national party to the candidate. Coordinated party expenditures do not count against a publicly-funded Presidential candidate's expenditure limitations. 11 C.F.R. § 110.7(a)(6); see 2 U.S.C. § 441a(b).

In determining whether specific communications paid for by parties were coordinated expenditures subject to the 2 U.S.C. § 441a(d) limitations, the Commission has considered whether the communication refers to a "clearly identified candidate" and contains an "electioneering message." AO 1984-15; AO 1985-14. The term "clearly identified" means that the name of the person involved appears, a photograph or drawing of the candidate appears; or

18 The coordinated party expenditure limitation for the 1996 general election was \$11,994,007.

the identity of the candidate is apparent by unambiguous reference. 2 U.S.C. § 431(18). The definition of "electioneering message" includes statements designed to urge the public to elect a certain candidate or party, or which would tend to diminish public support for one candidate and garner support for another candidate. *FEC v. Colo. Republican Fed. Campaign Comm.*, 59 F.3d 1015, 1023 (10th Cir. 1995) (citing to AO 1984-15), *rev'd on other grounds*, 116 S.Ct. 2309 (1996) (The Court did not address the content of the advertisements at issue); *see* AO 1985-14 ("electioneering messages include statements 'designed to urge the public to elect a certain candidate or party'") (citing *United States v. United Auto Workers*, 352 U.S. 567, 587 (1957)). The Commission has also stated that "expenditures pursuant to 2 U.S.C. § 441a(d) may be made without consultation or coordination with any candidate and may be made before the party's general election candidates are nominated." AO 1985-14, citing AO 1984-15.

3. Allocation

A political committee that finances political activity in connection with both federal and non-federal elections shall segregate funds used for federal elections from funds used for non-federal elections. 11 C.F.R. § 102.5(a)(1). If a political committee makes disbursements in connection with both federal and non-federal elections, it must allocate those disbursements between federal and non-federal funds. 11 C.F.R. § 106.5(a). Allocable disbursements include administrative expenses not attributable to a clearly identified candidate, and generic activities that urge the general public to register, vote or support candidates of a particular party or associated with a particular issue, without mentioning a specific candidate. 11 C.F.R. §§ 106.5(a)(2)(i) and (iv).

In Presidential election years, national party committees shall allocate at least 65% of their administrative and generic voter drive expenses to their federal accounts. 11 C.F.R.

§ 106.5(b)(2)(i). This allocation is “intended to reflect the national party committees’ primary focus on presidential and other federal candidates and elections, while still recognizing that such committees also participate in party-building activities at state and local levels”

Explanation and Justification for 11 C.F.R. § 106.5(b), 55 *Fed. Reg.* 26,063, 26,063 (June 26, 1990). In non-Presidential election years, national party committees shall allocate at least 60% of their administrative and generic voter drive expenses to their federal accounts. 11 C.F.R.

§ 106.5(b)(2)(ii).

All state and local party committees in states that hold federal and non-federal elections in the same year shall allocate their administrative and generic voter drive expenses according to the ballot composition method. 11 C.F.R. § 106.5(d)(1). Under this method, expenses shall be allocated based on the ratio of federal offices expected to be on the ballot to total federal and non-federal offices expected on the ballot in the next general election to be held in that state or jurisdiction. 11 C.F.R. § 106.5(d)(1)(i).

All state and local party committees in states that do not hold federal and non-federal elections in the same year shall allocate their generic voter drive expenses according to the ballot composition method based on a ratio calculated for that calendar year, and their administrative expenses based on a ratio calculated for the two-year Congressional election cycle. 11 C.F.R. § 106.5(d)(2).

4. Reporting

Each treasurer of a political committee shall file reports of its receipts and disbursements. 2 U.S.C. § 434(a)(1). Each report shall disclose for the appropriate reporting period all receipts, including all contributions received from political party committees. 2 U.S.C. § 434(b)(2)(C). Political committees other than authorized committees shall also disclose for the appropriate reporting period all disbursements, including contributions made to other political committees, as well as expenditures by national committees in connection with the general election campaigns of candidates for federal office. 2 U.S.C. §§ 434(b)(4)(H)(i) and (iv). Each in-kind contribution shall be reported as both a contribution and an expenditure. 11 C.F.R. §§ 104.13(a)(1) and (2); 2 U.S.C. § 434(b)(4). Moreover, if a political committee is required to allocate disbursements between federal and non-federal funds, the treasurer must report the appropriate allocation ratios. 11 C.F.R. § 104.10(b)(1).

5. Public Funding of Primary Campaigns

The Matching Payment Act governs the public funding of candidates who seek the Presidential nomination of a political party. "Candidate," for the purposes of the Matching Payment Act, means an individual who seeks nomination for election to be President of the United States. 26 U.S.C. § 9032(2).

Publicly-funded candidates are subject to expenditure limitations. 2 U.S.C. §§ 441a(b) and (c). No publicly-funded primary candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitations applicable under 2 U.S.C. § 441a(b)(1)(A). 26 U.S.C. § 9035(a). Moreover, no candidate or political committee shall knowingly make expenditures in violation of the primary election expenditure limitation at 2 U.S.C. § 441a(b).

2 U.S.C. § 441a(f). An expenditure is made on behalf of a publicly-funded candidate if it is made by: an authorized committee or any other agent of the candidate for purpose of making any expenditure; or any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure. 2 U.S.C. § 441a(b)(2)(B). The expenditure limitation for each publicly-funded candidate who participated in the 1996 Presidential nominating process was \$37,092,000. 2 U.S.C. §§ 441a(b)(1)(A) and (c) .

To be eligible to receive public financing, a candidate must certify to the Commission that, *inter alia*, he or she and his or her authorized committees will not incur qualified campaign expenses in excess of the expenditure limitation. 26 U.S.C. § 9033(b)(1). Moreover, a primary candidate must sign a written agreement permitting the Commission to review all qualified campaign expenses incurred by the candidate and his or her authorized committees. 26 U.S.C. § 9033(a).

6. Public Funding of Presidential Campaigns

The Presidential Election Campaign Fund Act, as amended, 26 U.S.C. §§ 9001-9013 ("Fund Act") applies to the public financing of the general election campaign of Presidential and Vice Presidential candidates. A "candidate" under the Fund Act is an individual who has been nominated for the office of President or Vice President by a major party or has qualified to have his or her name on the ballot as the candidate of a political party in 10 or more states. 26 U.S.C. § 9002(2).

Publicly-funded candidates are subject to expenditure limitations. 2 U.S.C. §§ 441a(b) and (c). No candidate or political committee shall knowingly make expenditures in violation of the general election expenditure limitation at 2 U.S.C. § 441a(b). 2 U.S.C. § 441a(f). The

expenditure limitation for each publicly-funded Presidential candidate of a major party who participated in the 1996 Presidential general election was \$61,820,000. 2 U.S.C.

§§ 441a(b)(1)(B) and (c).

To be eligible to receive public financing, a candidate must certify to the Commission that, *inter alia*, he or she and his or her authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which they will be entitled. 26 U.S.C.

§ 9003(b). Eligible candidates of each major party are entitled to payments. 26 U.S.C.

§ 9004(a)(1). Moreover, a publicly-funded general election candidate must sign a written agreement agreeing, *inter alia*, to provide evidence of qualified campaign expenses and certifying that he or she will not incur qualified campaign expenditures in excess of the aggregate public funds to which they are entitled and that they will not accept any contributions to defray qualified campaign expenses. 26 U.S.C. §§ 9003(a) and (b).

E. ANALYSIS

These matters involve possible coordinated expenditures made by the DNC for the purpose of influencing President Clinton's election that resulted in excessive in-kind contributions to his Primary Committee, coordinated party expenditures in excess of the 2 U.S.C. § 441a(d)(2) limit, or both, as well as other related violations.

Based on the allegations in the complaints and public information, including disclosure reports, the books *The Choice* and *Behind the Oval Office*, and various press reports,¹⁹ it appears that the DNC may have paid for a major advertising campaign in 1995 and 1996, the timing, geographic focus and content of which were calculated to further President Clinton's re-election

¹⁹ E.g., *Boston Globe* article dated February 23, 1997, *National Journal* article dated May 11, 1996, *Washington Post* article dated October 16, 1997.

efforts.²⁰ See, e.g., Attachments 1, 5, 6, 7, 8, 10, 11, 12, and 24. Furthermore, the available information indicates that the President and campaign officials directed and actively participated in the development of this advertising campaign.²¹

Significantly, these matters involve the possible circumvention of expenditure limitations imposed upon a publicly-financed Presidential campaign. Expenditure limitations are an integral part of the public financing system, and the Supreme Court in *Colorado*, for example, implicitly recognized that different considerations may apply in cases involving candidates who accept public funding. See 2 U.S.C. § 441a(b); 26 U.S.C. §§ 9003(b), 9033, 9035. Similarly, in *Republican National Committee v. FEC*, the district court held that the burdens on free expression, if any, caused by conditioning eligibility for public funding on a presidential candidate agreeing to expenditure limitations do not violate the First Amendment. 487 F. Supp. 280, 284-87 (S.D.N.Y. 1980), *aff'd mem.* 445 U.S. 955 (1980); see also *Buckley*, 424 U.S. at 57, 86-108.

The allegations in these matters also raise questions concerning the relationship between a President and his or her party. As titular head of his or her party, the President will necessarily interact frequently with officials of the national party, party candidates, office holders, and supporters in working toward legislative and policy positions and goals, as well as in the context of campaign activity. The crucial question is at what point specific party expenditures become

20 The available information discusses a campaign of television advertisements; however, it is possible that radio or other advertising media were also part of the advertisement campaign. This Office's investigation of this matter will seek to clarify this question.

21 It appears that during the initial formulation of the advertising campaign, the Primary Committee planned to pay for the advertisements, and that it paid for an initial advertisement concerning assault weapons. However, according to the complaint and other available information, it was subsequently decided that the DNC, rather than the Primary Committee or GEC, would pay for the advertising campaign.

in-kind contributions to the President's campaign or coordinated party expenditures subject to 2 U.S.C. § 441a(d). The opinion of this Office is that the distinction between permissible interaction and coordinated activity lies in the purpose and content of any resulting expenditure. Where, as here, there is information suggesting that campaign officials were actively involved in planning the advertisement campaign that the President acknowledged was central to sustaining public support for him, and where the content, timing and broadcast areas of the advertisements appear calculated to bolster the President's bid for re-election, then there is reason to believe that the coordinated expenditures were in-kind contributions to President Clinton's re-election campaign or coordinated party expenditures subject to 2 U.S.C. § 441a(d)(2).²²

In *Behind the Oval Office*, Presidential consultant and author Dick Morris²³ explains that the advertising campaign was the "key" to the President's re-election campaign strategy:

[T]he key to Clinton's victory was his early television advertising. . . . In 1996, the Clinton campaign, and, at the President's behest, the DNC spent upwards of eighty-five million dollars on ads. . . .

Week after week, month after month, from early July 1995 more or less continually until election day in '96, sixteen months later, we bombarded the

22 Although the content, timing and broadcast areas of the advertisements appear calculated to bolster the President's bid for re-election, the available advertisements do not appear to expressly advocate the election or defeat of any candidate. In its response in MUR 4407, the DNC urges dismissal of the complaint, arguing that absent such express advocacy the expenditures for the advertisements are not subject to 2 U.S.C. § 441a(d). See *supra*, page 10. This Office recommends that the Commission reject this argument.

While the Supreme Court has limited regulation of independent expenditures to communications containing express advocacy because of constitutional concerns, it has not imposed any similar restriction on the regulation of coordinated expenditures or other contributions. Express advocacy is not required for the regulation of expenditures which are coordinated with candidates and their campaigns, and such expenditures are in-kind contributions or coordinated party expenditures subject to 2 U.S.C. § 441a(d)(2). Because there is reason to believe that the expenditures in these matters were made in cooperation with, and at the direction of, the candidate and campaign staff, recent cases involving independent expenditures and express advocacy are inapposite. See, e.g., *Federal Election Commission v. Christian Action Network*, 110 F.3d 1049 (4th Cir. 1997).

23 Mr. Morris was a consultant to the President who worked closely with the DNC, the Primary Committee, White House staff and SKO. Because he was a key figure in the President's campaign, his recorded recollections provide a basis for the recommended reason to believe findings set forth in this report.

public with ads. The advertising was concentrated in the key swing states . . . for a year and a half. This unprecedented campaign was the key to success.

Attachment 8 at 1. And he notes that "voter share zoomed where we advertised." *Id.* at 4.

Mr. Morris states that the intent was to keep the advertisements on the air until election day, in order to secure the President's nomination and re-election. *Id.*

The advertising campaign appears to have included advertisements shown in a number of battleground states throughout 1995 and 1996. It appears that the advertisements were created by SKO and/or the November 5 Group, Inc. ("November 5").²⁴ Attachments 3 and 4. The available advertisement copies for 1996 indicate that the advertisements were run on television; however, no similar markings exist on the 1995 advertisement copies.

The advertisements provided by the DNC have a similar tone and style to each other.²⁵ In general, they discuss President Clinton's position on diverse subjects such as Medicare, the budget, education, health care, children, taxes and immigration and contrast his views with those of the Republicans in Congress, particularly Senator Dole, who eventually became the Republican Presidential nominee, and House Speaker Gingrich.

For example, an advertisement titled "Moral" dated August 1995 states, in part: "The Republicans are wrong to want to cut Medicare benefits. And President Clinton is right to protect Medicare . . . [sic] right to defend our decision, as a nation, to do what's moral, good and right by our elderly." Attachment 2 at 37. Another advertisement, titled "Protect" from August

²⁴ It appears that SKO and November 5 may be interconnected. Attachments 9 and 10. November 5 is a District of Columbia corporation that was established on February 5, 1996. Attachment 9. Its Board of Directors consists of Anthony Parker, William Knapp, and Robert Squier, and, during the period of time leading up to the general election, its principal place of business was 511 Second Street, N.W., Washington, D.C. 20002. *Id.* This address is the same as SKO's address. *Id.*

²⁵ Specific advertisements are identified in attachments to the complaint, excerpts from *The Choice*, by Bob Woodward, as well as in the DNC's response. See Attachments 1 at 11, 12, and 2 at 33-51.

1995 states: "There is a way to protect Medicare benefits and balance the budget. President Clinton. . . . The Republicans disagree. They want to cut Medicare \$270 billion. . . ." *Id.* at 36.

While some of the advertisements contrasted the President's views with Republican positions, others were essentially negative attacks on Senator Dole and Speaker Gingrich. An advertisement called "Wither" from November 1995, for example, stated:

Finally we learn the truth about how the Republicans want to eliminate Medicare. First . . . [sic] Robert Dole. 'I was there, fighting the fight, voting against Medicare, one of 12 -- because we knew it wouldn't work -- in 1965.' Now . . . [sic] Newt Gingrich on Medicare. 'Now we don't get rid of it in round one because we don't think that that's the right way to go through a transition, but we believe it's going to wither on the vine.' The Republicans in Congress. They never believed in Medicare. And now, they want it to wither on the vine.

Id. at 40. Twelve of the available advertisements characterize Republicans as opponents to President Clinton's policies; six advertisements imply that Senator Dole and Speaker Gingrich are obstacles to passage of President Clinton's policies in Congress. *See id.* at 36-51. Some of the advertisements focused on the budget battle between the President and Congress, contrasting the President's budget plan with Republican plans to cut education, environmental protection and health care. *See, e.g., id.* at 45-46. A number of advertisements link the names of Senator Dole and Speaker Gingrich. For example, an advertisement titled "Table" from January 1996 states:

The Gingrich Dole budget plan. Doctors charging more than Medicare allows. Head Start, school anti-drug help slashed. Children denied adequate medical care. Toxic polluters let off the hook. But President Clinton has put a balanced budget plan on the table protecting Medicare, Medicaid, education, environment. The President cuts taxes and protects our values. But Dole and Gingrich just walked away. That's wrong. They must agree to balance the budget without hurting America's families.

Id. at 47. Similarly, other advertisements refer to the "Dole Gingrich attack ad" and the "Dole/Gingrich Budget." *Id.* at 36-51. It appears that the advertisements continued until mid-1996.

There is reason to believe that the DNC-funded advertising campaign was the result of cooperation between the DNC and the President and his campaign organizations. According to *The Choice*, the DNC "functioned as the unofficial arm of the Clinton campaign" and President Clinton "directed the committee's efforts." Attachment 1 at 10. *The Choice* describes several White House meetings between President Clinton, Vice President Gore, Primary Committee officials and DNC officials where the advertisements were discussed. For example, Mr. Woodward writes:

[Dick] Morris wanted more money from the Clinton-Gore campaign to run television advertising emphasizing the President's policy of protecting Medicare, not cutting it. The crime ads which had run earlier in the summer had been a giant smash hit, Morris was still arguing.

Clinton liked the idea and wondered aloud why they were not up on the air talking about his agenda.

Terry McAuliffe argued strenuously against spending more money on ads. 'They'll be using our precision money,' he said. . . .

Harold Ickes said he agreed 100 percent with McAuliffe. The Clinton-Gore money was their insurance policy during the primary season. Even though it looked like there was no challenger to Clinton, one could emerge in a flash.

Id. at 9.²⁶ It appears that Clinton's re-election strategists decided to take advantage of Clinton's role as titular head of the Democratic Party to use the DNC's money to further his re-election.

²⁶ At the time these meetings allegedly occurred, Harold Ickes was the President's Deputy White House Chief of Staff and Terry McAuliffe was the DNC Finance Chairman.

For example, Mr. Woodward also alleges that as a result of further discussions about the President's re-election efforts:

Clinton wanted an ad campaign. Morris was pressing, Ickes and McAuliffe were resisting.

There was only one other place to get the money: the Democratic National Committee, which functioned as the unofficial arm of the Clinton campaign. And Clinton, as the head of the party, directed the committee's efforts. The [DNC] could launch a new fund-raising effort as it had in 1994 when millions had been raised in a special effort to televise Pro-Clinton health care reform ads. Though opponents of his health care reform plan had spent much, much more, the idea was sound. Clinton said he was not going to be drowned out this time, and directed a special fund-raising effort.

Id. at 10. Mr. Woodward further writes:

In all, some \$10 million was raised in the special fund-raising effort . . . to finance what eventually became a \$15 million advertising blitz.

For several months, Morris and Robert Squier had been testing a half a dozen possible 30-second scripts and television ads a week for possible use. At weekly evening meetings in the White House, Clinton went through them, offered suggestions and even edited some of the scripts. He directed the process, trying out what he wanted to say, what might work, how he felt about it, and what it meant. . . .

Id. Finally, Mr. Woodward asserts that "Clinton remained heavily involved in the day-to-day presentation of his campaign through television advertising. . . . Clinton personally had been controlling tens of millions of dollars worth of DNC advertising." *Id.* at 11-12.

In *Behind the Oval Office*, Mr. Morris similarly suggests that the advertising campaign was developed with the active participation and interaction of the candidate, campaign staff, DNC representatives, White House staff, and the media consultants.²⁷ Mr. Morris states that he

²⁷ In *Behind the Oval Office*, Mr. Morris states that in addition to the President, Vice President and himself, a number of other individuals were involved in White House meetings to discuss the development or creation of the advertisements. Attachment 8 at 5. These included White House staff, DNC representatives and campaign officials such as Leon Panetta, Harold Ickes, Terry McAuliffe, George Stephanopoulos, Doug Sosnik, Erskine Bowles,

reviewed the questionnaires for the polls, the polling results, the scripts and test runs of the advertisements with President Clinton. Attachment 8 at 3. He alleges:

the [P]resident became the day-to-day operational director of our TV-ad campaign. He worked over every script, watched every ad, ordered changes in every visual presentation, and decided which ads would run where. He was as involved as any of his media consultants were. The ads became not the slick creations of ad-men but the work of the [P]resident himself. . . .

Id. at 4. Indeed, he states that “the entire fate of Clinton’s presidency hinged on this key decision” to run advertisements, and “the decision to advertise early and continually” was one of the “keys to victory in ‘96” and “took us into 1996 with a lead over Dole.” *Id.* at 6.

It also appears that President Clinton acknowledged to DNC donors that the purpose of the DNC-funded advertisement campaign was to bolster the President’s election bid. A videotape released by the White House reportedly shows the President addressing DNC donors invited to a May 21, 1996 White House lunch and stating:

Many of you have given very generously and thank you for that [. . .] The fact that we’ve been able to finance this long-running constant television campaign . . . where we’re always able to frame the issues . . . has been central to the position I now enjoy in the polls, [. . . The ads helped] sustain an unbroken lead for five and a half months.

Attachment 24 at 1.

Based on the foregoing information, at this time it appears that these matters do not involve independent expenditures. An “independent expenditure” is an expenditure that expressly advocates the election or defeat of a clearly identified candidate which is made *without* cooperation or consultation with any candidate or any authorized committee or agent of a

Senator Chris Dodd, Peter Knight, and Ann Lewis. In addition, a number of consultants attended these strategy meetings including Robert Squier, Bill Knapp, Marius Penczner, Hank Sheinkopf, Mark Penn and Doug Schoen. Mr. Squier and Mr. Knapp are partners in SKO; Mr. Penczner is a media consultant; Mr. Sheinkopf is a media consultant with the firm of Austin-Sheinkopf; and Mr. Penn and Mr. Schoen are pollsters. *Id.* at 2-5.

candidate, and which *is not* made in concert with, or at the suggestion of, any candidate or any authorized committee or agent of a candidate. 2 U.S.C. § 431(17); 11 C.F.R. § 109.1.

Conversely, any expenditure that *is* made with cooperation or consultation, in concert with, or at the suggestion of any candidate, agent of a candidate, or authorized committee *cannot* be an independent expenditure. Rather, such a coordinated expenditure is an in-kind contribution to the candidate. 2 U.S.C. § 441a(a)(7)(B)(i).

Likewise, the information presently available to the Commission suggests that these matters do not involve legislative advocacy advertisements like the advertisements at issue in AO 1995-25 and MUR 4246. In AO 1995-25, the Commission concluded that costs related to advertisements focusing on national legislative advocacy activity and the promotion of the Republican Party were allocable between the Republican Party's federal and non-federal accounts pursuant to 11 C.F.R. §§ 106.5(b)(2)(i) and (ii). However, unlike the situation in AO 1995-25, here the timing of the media campaign, the apparent coordination between campaign officials and the DNC, and the content of the advertisements together give reason to believe that the purpose of the advertising campaign was to influence the election of President Clinton.

In MUR 4246, this Office recommended that the Commission enter into a pre-probable cause conciliation agreement

However, the events in MUR 4246 occurred in 1993, the year immediately following the President's election, whereas the advertisement campaign at issue here occurred during the primary and general election

campaigns.²⁸ Furthermore, in MUR 4246 there were no facts to suggest that any amount at issue was expended in cooperation with the President and for the purpose of influencing his election. To the contrary, the facts and circumstances of MUR 4246 suggest that the respondents' advocacy of the President's health care reform initiative was specifically calculated to sway public opinion in favor of the Democratic Party, and its candidates in general. See MUR 4246, First General Counsel's Report dated December 24, 1996 at 19-24.

It appears that the total amount spent on the advertising campaign was between \$15,000,000 and \$50,000,000.²⁹ The DNC directly paid \$2,703,034.67 to SKO and/or November 5 between January 1, 1995 and August 28, 1996, the date that President Clinton received the Democratic Party nomination for President of the United States.³⁰ See 11 C.F.R. § 9033.5(c). The DNC reported the purpose of these expenditures as "media," and it therefore appears that this amount was paid for the advertising campaign. Attachment 5.

The advertisements provided with the DNC's response to the complaint aired between August 16, 1995 and July 16, 1996. The DNC disclosure reports for these periods (January 22,

28 In the context of party reimbursement of a Presidential candidate's expenses arising from appearing at a party event, the Commission has presumed that, if the candidate for President appears at an event prior to January 1 of the year of the Presidential election, the candidate's appearance is presumed to be party-related and the candidate's party may reimburse the candidate's expenses. 11 C.F.R. § 110.8(e). Conversely, if an event is on or after January 1 of the Presidential election year, any related contributions or expenditures are presumed to be governed by the Act's contribution and expenditure limitations. *Id.* Either presumption may be rebutted by demonstrating that the candidate's appearance at the event was or was not party-related. 11 C.F.R. § 110.8(e)(2)(iii).

29 The total amount that the DNC spent on the advertising campaign is not clear. The complaint in MUR 4407 alleges that the cost was \$25,000,000. *The Choice* puts the cost at \$15,000,000. Attachment 1 at 10. In *Behind the Oval Office* Dick Morris states that the DNC spent \$35,000,000. Attachment 8 at 1-2. Based on this Office's preliminary review of DNC disclosure reports for the periods covering July 1, 1995 through September 30, 1996, it is possible that the total amount spent on the advertisement campaign may have been as much as \$50,485,000. A full investigation of this matter is necessary to determine the correct amount involved. Throughout this report, this Office has used the \$25,000,000 figure from the complaint in MUR 4407.

30 This figure is derived from a review of DNC disclosure reports for periods covering July 1, 1995 through September 30, 1996. Attachment 5.

1996; April 15, 1996; July 15, 1996; and October 15, 1996) indicate that the DNC allocated 60% of its disbursements to SKO and November 5 between July 1, 1995 through December 31, 1995 to its federal accounts, and 65% of its disbursements to SKO and November 5 to its federal accounts for the periods between January 1, 1996 and September 30, 1996.³¹ *See id.*

In addition to the amounts disbursed by the DNC directly to SKO and November 5, it appears that the DNC indirectly funneled millions of additional dollars to SKO and November 5 through the accounts of various state Democratic Party committees ("state committees") as intermediaries. *See, e.g.,* Attachment 11. Based on the similarity of the timing and amounts of the transfers, the reported purpose of the disbursements, and the statements of state committee officials, it appears that the funds paid to SKO and November 5 through state committee accounts were DNC funds, not state committee funds, and that the DNC used the state committee accounts to take advantage of state allocation ratios, which allow a greater percentage of funds for administrative expenses to be paid from non-federal accounts. *See* 11 C.F.R. § 106.5(d).

Specifically, it appears that upon receipt of these DNC funds, state committees quickly disbursed the transferred amounts, often on the day of receipt, to SKO and/or November 5 for the purchase of advertisements.³² *See, e.g.,* Attachment 11. Furthermore, available information suggests that state committee officials may have believed that state committee disbursements to SKO and November 5 were made with DNC funds at the DNC's behest. For example, it is

31 The DNC allocated the cost of these advertisements, apparently based on its contention that the advertisements were legislative advocacy advertisements and thus allocable as either administrative expenses or generic voter drive costs. *See* AO 1995-25; 11 C.F.R. § 106.5.

32 Because of the distinct similarity between the timing and the amounts of the transfers from the DNC to the state committees, and the transfers from the state committees to SKO and November 5, no first-in/first-out, or first-in/last-out analysis has been performed on these transfers prior to making the reason to believe recommendations set forth in this report.

reported that Jo Miglino, the Florida Democratic Party Communications Director, when asked by James A. Barnes, a reporter from *The National Journal*, about advertisements aired in Florida, stated, "Those [advertisements] aren't ours; those are the DNC's." Attachment 12 at 4. Barbara Guttman, the Illinois Democratic Party Press Secretary, reportedly gave a similar response when Mr. Barnes asked about advertisements aired in Illinois; stating, "The DNC and Squier kind of review the numbers and the points. . . . The DNC pays for it." *Id.* Finally, Tony Wyche, the Missouri Democratic Party Communications Director, when asked by Mr. Barnes about the authority his state committee had over the ads, is reported to have responded "We have to agree to do it. . . . [But][i]t's just a technicality."³³ *Id.*

This Office has identified DNC transfers to state committees totaling approximately \$54,000,000 from various federal and non-federal accounts between January 1, 1995 through August 28, 1996.³⁴ At this time it is not clear how much of this total amount was related to the

³³ DNC transfers to the Democratic Party of New Mexico ("New Mexico") illustrate the pattern of activity. The DNC transferred \$599,801 to New Mexico from federal and non-federal accounts between January 1, 1996 and August 28, 1996. During this period, New Mexico reported disbursements totaling \$531,866 to SKO and/or November 5. For example, on January 11, 1996, the DNC transferred \$29,640 (\$10,967 or 37% from its federal account + \$18,673 or 63% from its non-federal account) to New Mexico. On January 19, 1997, New Mexico reported receiving \$10,967, the federal funds from the DNC. On the same day, New Mexico disbursed \$29,639.20 (\$11,263.20 (federal account) + \$18,367 (non-federal account)) to SKO for "generic media." The total disbursed by New Mexico was virtually identical to the total transferred from the DNC. Based on the DNC's contention that these advertisements are allocable, if the DNC had directly disbursed \$29,640 to SKO, it would have been required to pay \$19,266 from its federal accounts and \$10,374 from its non-federal accounts. See 11 C.F.R. § 106.5(b)(2)(i). However, by transferring the money to New Mexico, the DNC "saved" \$8,299 in federal money (\$11,263.20 (state allocation ratio) compared to \$19,266 (national party allocation ratio)). Therefore, if the advertisements were allocable expenditures, the DNC would have "saved" substantial federal funds each time it transferred federal and non-federal funds to a state committee for the purchase of advertisements.

Since it appears that the DNC and state committees paid SKO and November 5 in part with funds from non-federal accounts, some of the funds that were used for these in-kind contributions may have come from improper sources, such as excessive contributions, funds from foreign nationals, or contributions in the name of another, that may give rise to FECA violations. See 2 U.S.C. §§ 441a(a), 441a(f), 441e, 441f.

³⁴ This figure is derived from a review of DNC disclosure reports for the periods covering January 1, 1995 through September 30, 1996. Attachment 5.

advertisement campaign. This Office has also examined disclosure reports for all 50 state committees and the District of Columbia, for the periods from January 1, 1995 through June 30, 1997. As a result of the review of 24 of the state committee disclosure reports, this Office has identified DNC transfers totaling approximately \$9,865,000 to state committees, who, in turn, disbursed approximately \$6,350,000 to SKO and/or November 5.³⁵ Further investigation is necessary for this Office to determine the exact amount which was disbursed through the state committees for the advertising campaign, and which should be included in the calculation of the total amount which the DNC expended.³⁶

Based on the information available at this time and the allegations of the complaints, it is not clear whether the expenditures for the advertisement campaign should be treated as excessive in-kind contributions from the DNC to the Primary Committee, coordinated party expenditures that exceeded the DNC's 2 U.S.C. § 441a(d)(2) limitation, and thus, were in-kind contributions to the GEC, or some combination of both. This Office concludes that reason to believe findings for both alternatives are appropriate.

As a multicandidate committee, the DNC was permitted to contribute only \$5,000 to the Primary Committee and President Clinton. The Office of General Counsel therefore recommends that the Commission find reason to believe that the Democratic National Committee and Carol Pensky, as treasurer, made excessive in-kind contributions to the

³⁵ This Office notes that this amount is an approximate calculation which may significantly increase once all the data in the other 26 state committee disclosure reports is examined and totaled.

³⁶ In order to focus these matters and best utilize the Commission's limited resources, this Office is not making any recommendation at this time concerning possible violations by state committees.

Clinton/Gore '96 Primary Committee, Inc. and President William J. Clinton in violation of 2 U.S.C. § 441a(a)(2)(A).³⁷

Because it appears that the advertisement campaign was for the purpose of influencing President Clinton's election, and that President Clinton and his campaign officials were involved in the development and creation of the advertisements, this Office recommends that the Commission find reason to believe that the Clinton/Gore '96 Primary Committee, Inc., its treasurer, Joan Pollitt, and President William J. Clinton violated 2 U.S.C. § 441a(f) by accepting these excessive in-kind contributions.

As a prerequisite to receiving public funds, President Clinton signed a written agreement certifying to the Commission that he and his Primary Committee would not incur qualified campaign expenses in excess of \$37,092,000. *See* 26 U.S.C. §§ 9033(a), 9033(b)(1) and 9035(a). As of December 31, 1996, the Primary Committee reported qualified campaign expenditures totaling \$30,171,336.74. To the extent that the expenditures for the advertising campaign were for the purpose of influencing President Clinton's primary election campaign, they count against the Primary Committee expenditure limitation. The Office of General Counsel therefore recommends that the Commission find reason to believe that the Clinton/Gore '96 Primary Committee and Joan Pollitt, as treasurer, and President William J. Clinton exceeded the overall expenditure limitation in violation of 2 U.S.C. §§ 441a(b)(1)(A) and 441a(f), and 26 U.S.C. § 9035(a).

While the available information indicates that the advertisements may have been focused on the primary election, investigation of this matter is necessary to explore this issue.³⁸

³⁷ On September 15, 1995, the DNC made an in-kind contribution to the Primary Committee in the amount of \$1,861.21. Attachment 6.

Therefore, this Office recommends alternative reason to believe findings that some portion, or all, of the expenditures made for the advertisement campaign were coordinated party expenditures related to the general election that exceeded the 2 U.S.C. § 441a(d)(2) limitation.³⁹

The coordinated party expenditure limitation for the 1996 Presidential general election was \$11,994,007. Although the DNC reported coordinated party expenses, as of July 31, 1997, totaling \$8,314,020.75, none of the advertisements at issue here appears to be included in this amount. When the apparent cost of the advertisement campaign is added to the amount of the reported coordinated party expenses, the amount exceeds the 2 U.S.C. § 441a(d)(2) expenditure limitations. This Office therefore recommends that the Commission find reason to believe that the Democratic National Committee and Carol Pensky, as treasurer, exceeded the 2 U.S.C. § 441a(d) coordinated party expenditure limitations in violation of 2 U.S.C. § 441a(f). This Office further recommends that the Commission find reason to believe that the Clinton/Gore '96 General Committee and Joan Pollitt, as treasurer, accepted excessive contributions from the

38 Most, if not all, of the advertisements apparently were created and broadcast prior to President Clinton's nomination. If the campaign had paid for these advertisements and if they were considered qualified campaign expenditures, the cost of these advertisements may have been attributed to the primary election expenditure limitation. 11 C.F.R. §§ 9034.4(e)(5) and (6)(ii); *see cf.* Final Repayment Determination in Reagan-Bush '84 General (July 11, 1988). However, the purpose of some or all of the advertisements may have been to influence the general election. This Office has compared the text of television advertisements funded by the DNC with videotapes of television advertisements funded by the Primary Committee (the latter were received pursuant to an audit subpoena). There appear to be substantial similarities between the television advertisements funded by the DNC and those funded by the Primary Committee.

39 Although coordinated party expenditures may be made before the party's general election candidates are nominated, the timing of the advertisements is relevant to determining how they should be allocated between the primary and general election campaigns, and what sorts of funds may be used to pay for them. *See* AO 1984-15, AO 1985-14. Developments in public financing cases and the Commission's regulations since the issuance of AO 1984-15 have emphasized the importance of the timing of expenditures. For example, the Commission acknowledged the significance of both timing and purpose in its recently revised regulations at 11 C.F.R. § 9034.4(e), which set forth rules for attributing expenditures between the primary and general election limitations for candidates who receive both primary and general public funds. Under these regulations, expenditures for communications are allocated based on the date of broadcast; media production costs for media used both before and after the date of nomination are attributed 50% to the primary campaign and 50% to the general campaign. 11 C.F.R. §§ 9034.4(e)(5) and (6)(ii).

Democratic National Committee in violation of 2 U.S.C. § 441a(f). This Office also recommends that the Commission find reason to believe that President Clinton and Vice President Gore accepted excessive contributions from the Democratic National Committee in violation of 2 U.S.C. § 441a(f).

To the extent that the expenditures exceeded the 2 U.S.C. § 441a(d)(2) limitations, they were in-kind contributions from the DNC to President Clinton, Vice President Gore and the GEC. President Clinton and Vice President Gore signed a written agreement certifying that they would not incur qualified campaign expenditures in excess of the aggregate public funds to which they are entitled. *See* 26 U.S.C. § 9003(b)(1). The general election limitation was \$61,820,000.00, and the reported amount of expenditures as of July 15, 1997, was \$62,109,491.01 (apparently already exceeding the limitation by \$289,491.01). This Office therefore recommends that the Commission find reason to believe that the Clinton/Gore '96 General Committee and Joan Pollitt, as treasurer, exceeded the general election expenditure limitation in violation of 2 U.S.C. §§ 441a(b)(1)(B) and 441a(f). This Office also recommends that the Commission find reason to believe that President William J. Clinton and Vice President Albert Gore, Jr. exceeded the general election expenditure limitation in violation of 2 U.S.C. §§ 441a(b)(1)(B) and 441a(f).

There is reason to believe that the DNC made in-kind contributions to the Primary Committee, or made coordinated party expenditures in excess of the 2 U.S.C. § 441a(d)(2) limitations that constituted in-kind contributions to the Primary Committee, the GEC, or both, by paying for an advertisement campaign in 1995 and 1996 to benefit President Clinton's re-election campaign. The DNC did not report the disbursements for the advertisements as

contributions to the Primary Committee or the GEC. Nor did it report the expenditures as coordinated party expenditures. Since the expenditures were not allocable, there is reason to believe that the DNC improperly reported the disbursements when it allocated its direct disbursements to SKO and November 5. Further, there is reason to believe that the DNC improperly reported the transfers to the state committees, which may have been payments to SKO and November 5 that were funneled through the state committees to disguise their origin. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Democratic National Committee and its treasurer, Carol Pensky, violated 2 U.S.C. § 434(b)(4).

Moreover, there is reason to believe that the Primary Committee was required to report the cost of these advertisements as both contributions and expenditures but failed to do so. *See* 11 C.F.R. § 104.13(a). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Clinton/Gore '96 Primary Committee and its treasurer, Joan Pollitt, violated 2 U.S.C. §§ 434(b)(2)(C) and 434(b)(4) and 11 C.F.R. §§ 104.13(a)(1) and 104.13(a)(2).

Further, since the advertisement campaign may have been related to the general election in whole or in part, there is reason to believe that the GEC was required to report the cost of the advertisements, to the extent that they exceeded the 2 U.S.C. § 441a(d)(2) limitation, as both contributions and expenditures but failed to do so. *See* 11 C.F.R. § 104.13(a). Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Clinton/Gore '96 General Committee and its treasurer, Joan Pollitt, violated 2 U.S.C. §§ 434(b)(2)(C) and 434(b)(4) and 11 C.F.R. §§ 104.13(a)(1) and 104.13(a)(2).

It also appears that the DNC used funds from its non-federal accounts to pay for these advertisements. These accounts likely contained corporate and labor organization contributions, which are prohibited with respect to federal activities. Therefore the Office of General Counsel recommends that the Commission find reason to believe that the DNC and its treasurer, Carol Pensky, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a). Further, it appears that the campaign committees and the candidates knew that non-federal funds were used to pay for these advertisements. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Clinton/Gore '96 Primary Committee and its treasurer, Joan Pollitt; the Clinton/Gore '96 General Committee and its treasurer, Joan Pollitt; President William J. Clinton and Vice President Albert Gore, Jr. violated 2 U.S.C. § 441b(a).

III. DISCUSSION OF INVESTIGATION

In order to clarify the facts surrounding the advertisements, this Office plans to investigate this matter by issuing document and deposition subpoenas, as well as through informal discovery where practicable.

This Office is also exploring whether the burdens of discovery may be reduced, and the case may be processed more quickly, through the use of admissions by the respondents in connection with facts which the respondents do not contest. To the extent that the respondents indicate that particular factual matters are not in dispute, further discovery would not be warranted.

This Office seeks authority to depose a number of individuals specifically mentioned in *The Choice, Behind the Oval Office*, or in media accounts as persons with direct knowledge of

meetings that led to the creation of the advertisements in question, or who held positions where they would have had knowledge of the advertisement campaign, such as officials of the DNC. Initially, we seek authority to depose several key individuals, including Dick Morris; SKO employees Robert Squier, William Knapp, Betsy Steinberg and Jamie Sterling; media consultants Hank Sheinkopf and Marius Penczner; pollsters Mark Penn and Doug Schoen; White House Staff Erskine Bowles, Leon Panetta, George Stephanopoulos, Doug Sosnik, Harold Ickes and Marsha Scott; DNC official Terry McAuliffe; Primary Committee staff Peter Knight, and state committee staff Jo Miglino.⁴⁰ These individuals may possess information that demonstrates whether the advertisements were made "in cooperation, consultation, or concert with, or at the request or suggestion of" President Clinton, campaign officials and their agents and whether the advertisements were for the purpose of influencing President Clinton's election. See 2 U.S.C. §§ 431(8)(A)(i), 441a(a)(7)(B)(i) and 441a(b)(2)(B). Moreover, the investigation will clarify whether the advertisements were related to the primary election, the general election or both, and whether the advertisements were coordinated party expenditures.

This Office also seeks subpoena authority for the production of documents related to the advertisements by each of these individuals, as well as SKO and November 5, the Primary Committee, the GEC, the DNC, President Clinton, Vice President Gore and the Executive Office of the President. This Office anticipates that such documentation will enable us to examine all of the advertisements in this matter, as well as Primary Committee television advertisements aired

⁴⁰ Based on the results of our investigation, it may not be necessary to depose all of these individuals. Moreover, because of the apparent involvement of the President and Vice President in the creation and development of the advertisements, it may prove necessary during the investigation to depose President William J. Clinton and Vice President Albert Gore, Jr. However, this Office is not seeking authorization for depositions of these individuals at this time.

during the same time as the advertisements.⁴¹ Moreover, this Office anticipates that the documentation will enable us to determine the total amount spent by the DNC, the Primary Committee, and the GEC for advertisements.⁴² Finally, the review of documents produced pursuant to the subpoenas will allow this Office to determine the best order in which to take depositions and to prepare the best questions to put to the deponents.

IV. RECOMMENDATIONS

1. Find reason to believe that the Democratic National Committee and Carol Pensky, as treasurer, made excessive contributions to the Clinton/Gore '96 Primary Committee, Inc. and President William J. Clinton in violation of 2 U.S.C. § 441a(a)(2)(A);
2. Find reason to believe that the Clinton/Gore '96 Primary Committee, Inc., its treasurer, Joan Pollitt, and President William J. Clinton accepted excessive contributions from the Democratic National Committee in violation of 2 U.S.C. § 441a(f);
3. Find reason to believe that the Clinton/Gore '96 Primary Committee, Inc., its treasurer, Joan Pollitt, and President William J. Clinton exceeded the expenditure limitation for the 1996 Presidential nominating process in violation of 2 U.S.C. §§ 441a(b)(1)(A) and (f) and 26 U.S.C. § 9035(a);
4. Find reason to believe that the Democratic National Committee and Carol Pensky, as treasurer, exceeded the coordinated party expenditure limitations in violation of 2 U.S.C. § 441a(f);
5. Find reason to believe that the Clinton/Gore '96 General Committee, Inc., its treasurer, Joan Pollitt accepted excessive contributions from the Democratic National Committee in violation of 2 U.S.C. § 441a(f);

⁴¹ This Office does not recommend seeking discovery from Bob Woodward. To overcome the journalist's privilege, which Mr. Woodward would certainly invoke, the Commission would have to show that it was unable to obtain the information sought from any other source. *Branzburg v. Hayes*, 408 U.S. 665 (1972); *N.L.R.B. v. Mortensen*, 701 F. Supp. 244 (1988). Until the fruits of discovery from other sources are evaluated, there is no purpose to be served by attempting to compel broad discovery from Mr. Woodward. This Office does not believe that the journalist's privilege protects Mr. Morris, who has knowledge of the events in question because he was a participant, not an investigative journalist.

⁴² Staff of this Office will coordinate our investigation of this matter with staff assigned to other enforcement matters involving the DNC or the Clinton/Gore '96 Committees.

see memo dtd 1/12/98

6. Find reason to believe that President William J. Clinton and Vice President Albert Gore, Jr. accepted excessive contributions from the Democratic National Committee in violation of 2 U.S.C. § 441a(f);
7. Find reason to believe that the Clinton/Gore '96 General Committee, Inc., its treasurer, Joan Pollitt exceeded the expenditure limitation for the 1996 Presidential general election in violation of 2 U.S.C. §§ 441a(b)(1)(B) and 441a(f);
8. Find reason to believe President William J. Clinton and Vice President Albert Gore, Jr. exceeded the expenditure limitation for the 1996 Presidential general election in violation of 2 U.S.C. §§ 441a(b)(1)(B) and 441a(f);
9. Find reason to believe that the Democratic National Committee and Carol Pensky, as treasurer, failed to properly report coordinated party expenditures and contributions that it made to the Clinton/Gore '96 Primary Committee, Inc. and to the Clinton/Gore '96 General Committee, Inc. and President William J. Clinton in violation of 2 U.S.C. § 434(b)(4);
10. Find reason to believe that the Clinton/Gore '96 Primary Committee, Inc., and its treasurer, Joan Pollitt, failed to report in-kind contributions that it received from the Democratic National Committee as contributions and expenditures, in violation of 2 U.S.C. §§ 434(b)(2)(C) and 434(b)(4) and 11 C.F.R. §§ 104.13(a)(1) and 104.13(a)(2);
11. Find reason to believe that the Clinton/Gore '96 General Committee, Inc., and its treasurer, Joan Pollitt, failed to report in-kind contributions that it received from the Democratic National Committee as contributions and expenditures, in violation of 2 U.S.C. §§ 434(b)(2)(C) and 434(b)(4) and 11 C.F.R. §§ 104.13(a)(1) and 104.13(a)(2);
12. Find reason to believe that the Democratic National Committee and its treasurer, Carol Pensky, disbursed funds from its non-federal account in connection with a federal election in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a);
13. Find reason to believe that the Clinton/Gore '96 Primary Committee and its treasurer, Joan Pollitt; the Clinton/Gore '96 General Committee and its treasurer, Joan Pollitt; President William J. Clinton and Vice President Albert Gore, Jr. knowingly accepted prohibited contributions in violation of 2 U.S.C. § 441b(a).
14. Authorize the Office of General Counsel to depose the following individuals:

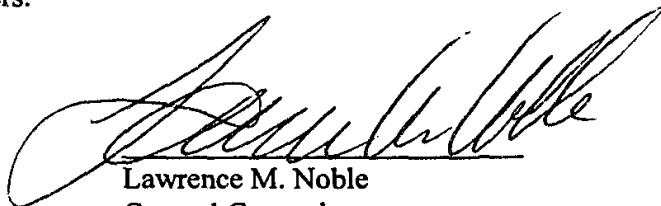
Dick Morris, Robert Squier, William Knapp, Erskine Bowles, Leon Panetta, Harold Ickes, Terry McAuliffe, Jo Miglino, Hank Sheinkopf, Marius Penczner, Mark Penn, Doug Schoen, George Stephanopoulos, Doug Sosnik, Jamie Sterling, Betsy Steinberg, Marsha Scott and Peter Knight;

15. Authorize the Office of General Counsel to subpoena documents from the following individuals and entities:

Dick Morris, Robert Squier, William Knapp, Erskine Bowles, Leon Panetta, Harold Ickes, Terry McAuliffe, Jo Miglino, Hank Sheinkopf, Marius Penczner, Mark Penn, Doug Schoen, George Stephanopoulos, Doug Sosnik, Peter Knight, Jamie Sterling, Betsy Steinberg, Marsha Scott, the Clinton/Gore '96 Primary Committee, Inc., and its treasurer, Joan Pollitt, the Clinton/Gore '96 General Committee, Inc., and its treasurer, Joan Pollitt, the Democratic National Committee, and its treasurer, Carol Pensky, Squier Knapp Ochs Communications, the November 5 Group, Inc., President William J. Clinton, Vice President Al Gore, Jr., and the Executive Office of the President;

16. Approve the attached sample subpoenas;
17. Approve the attached Factual and Legal Analyses; and
18. Approve the appropriate letters.

12/23/97
Date


Lawrence M. Noble
General Counsel

Attachments:

1. Dole for President, Inc. Complaint dated July 2, 1996
2. Democratic National Committee response to Dole for President, Inc. Complaint, dated August 16, 1996
3. Clinton/Gore '96 Primary Committee, Inc. response to Dole for President, Inc. complaint received August 19, 1996
4. Letter from Democratic National Committee, supplementing its response, dated September 26, 1996
5. Federal Election Commission disclosure reports filed by the Democratic National Committee, dated January 22, 1996; April 15, 1996; July 15, 1996; and October 15, 1996
6. Disclosure report filed by the Democratic National Committee, dated January 22, 1996
7. Disclosure report filed by the Clinton/Gore '96 Primary Committee, Inc. for period December 1, 1996 through December 31, 1996 received by Commission on January 31, 1997
8. Excerpts from *Behind the Oval Office*
9. Corporation Information Pertaining to The November 5 Group, Inc.
10. *Boston Globe* article dated February 23, 1997
11. Democratic Party of New Mexico Transfer and Disbursement Chart
12. *National Journal* article dated May 11, 1996

13. Sample deposition subpoena
14. Two sample document subpoenas and orders to submit written answers (Robert D. Squier and Jo Miglino)
15. Factual and Legal Analysis for the Democratic National Committee
16. Factual and Legal Analysis for the Clinton/Gore '96 Primary Committee, Inc.
17. Factual and Legal Analysis for President William J. Clinton
18. Factual and Legal Analysis for Clinton/Gore '96 General Committee, Inc.
19. Factual and Legal Analysis for Vice President Albert Gore, Jr.
20. Rebecca Roczen Carley, M.D., Complaint dated October 21, 1996
21. Letter from Rebecca Roczen Carley, M.D., dated November 8, 1996 and November 25, 1996 (with relevant attachments)
22. DNC response to Dr. Carley's Complaint, dated November 20, 1996
23. Primary Committee's response to Dr. Carley's Complaint, dated August 13, 1997
24. *Washington Post* article, dated October 16, 1997
25. Common Cause complaint filed with the United States Department of Justice, dated October 9, 1997

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

JAN 22 4 40 PM '96

1. FEC IDENTIFICATION NUMBER

C00010603

2. ☐ This committee has qualified as a noncandidate committee. (See FEC FORM 100)

4. TYPE OF REPORT

(a) ☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☒ January 31 Year End Report

CONSOLIDATED

☐ July 31 Mid Year Report (Non-election Year Only)

☐ Termination Report

Monthly Report Due On:

☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 21

☐ Twelfth day report preceding _____ (Type of Election)

election on _____ in the State of _____

☒ Thirtieth day report following the Special Election on

12/12/95 in the State of California, Illinois

(b) Is this Report an Amendment?

☐ YES

☒ NO

SUMMARY

8	Covering Period	COLUMN A This Period	COLUMN B Calendar Year-to-Date
8	(a) Cash on Hand January 1, 19 <u>95</u> through <u>12/31/95</u>		\$ 828,878.27
	(b) Cash on Hand at Beginning of Reporting Period	\$ 2,126,211.75	
	(c) Total Receipts (from Line 18)	\$ 26,551,316.78	\$ 43,120,639.84
	(d) Subtotal (add Lines 8(b) and 8(c) for Column A and Lines 8(a) and 8(c) for Column B)	\$ 28,677,528.53	\$ 43,949,518.11
7	Total Disbursements (from Line 30)	\$ 27,328,780.50	\$ 42,600,770.08
8	Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 8(d))	\$ 1,348,748.03	\$ 1,348,748.03
9	Debits and Obligations Owed TO the Committee (Itemize all on Schedule C under Schedule D)	\$ 37,121.58	
10	Debits and Obligations Owed BY the Committee (Itemize all on Schedule C under Schedule D)	\$ 4,172,113.05	

For further information contact:
Federal Election Commission
900 E Street, NW
Washington, DC 20543
Toll Free 800-424-9638
Local 202-219-3438

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Bradley K. Marshall

Assistant Treasurer

Signature of Treasurer

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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FEC FORM 3X

(Revised 8/95)

ATTACHMENT

Page 1 of 29

NAME OF CONTRIBUTOR: John J. Corbett Corp. / Democratic National Committee

REPORTING PERIOD: 12/31/95

95030162212

I. Receipts

11. Contributions (other than loans) From:
- a. Individuals/Persons Other Than Political Committees
 - i. Banked (see Schedule A) _____
 - ii. Unbanked _____
 - iii. Total _____ (add i and ii) >
 - b. Political Party Committees _____
 - c. Other Political Committees (such as PACs) _____
 - d. Total Contributions _____ (add a, b and c) >
12. Transfers From Affiliated/Other Party Committees _____
13. All Loans Received _____
14. Loan Repayments Received _____
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) _____
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees _____
17. Other Federal Receipts (Dividends, Interest, etc.) _____
18. Transfers from Nonfederal Account for Joint Activity _____
19. Total Receipts _____ (add 11d, 12, 13, 14, 15, 16, 17, and 18) >
20. Total Federal Receipts _____ (subtract line 18 from line 19) >

Column A Total This Period	Column B Calendar Year
5,300,826.44	8,688,630.14
12,108,213.48	19,871,925.60
17,412,039.92	28,360,555.74
0.00	0.00
229,130.07	751,105.07
17,641,169.99	29,111,660.81
451,957.23	505,887.23
3,100,000.00	3,100,000.00
0.00	0.00
608,326.88	719,471.98
5,000.00	5,000.00
21,153.29	22,053.19
4,723,709.39	9,576,566.63
26,551,316.78	43,120,639.84
21,827,607.39	33,544,073.21

II. Disbursements

21. Operating Expenditures
- a. Shared Federal/Non-Federal Activity (from Schedule H4)
 - i. Federal Share _____
 - ii. Non-Federal Share _____
 - b. Other Federal Operating Expenditures _____
 - c. Total Operating Expenditures _____ (add a i, ii and b) >
22. Transfers to Affiliated/Other Party Committees _____
23. Contributions to Federal Candidates/Committees and Other Political Committees _____
24. Independent Expenditures (see Schedule E) _____
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(c)) (see Schedule F) _____
26. Loan Repayments Made _____
27. Loans Made _____
28. Refunds of Contributions To:
- a. Individuals/Persons Other Than Political Committees _____
 - b. Political Party Committees _____
 - c. Other Political Committees (such as PACs) _____
 - d. Total Contribution Refunds _____ (add a, b and c) >
29. Other Disbursements _____
30. Total Disbursements _____ (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >
31. Total Federal Disbursements _____ (subtract line 21 a i from line 30) >

6,489,406.18	11,368,314.73
5,331,460.75	9,726,078.31
9,924,695.38	14,861,307.41
21,745,562.31	35,955,700.45
4,465,824.19	4,491,710.93
14,878.84	14,878.84
0.00	0.00
26,640.79	29,640.79
1,000,000.00	2,000,000.00
0.00	0.00
23,276.71	46,695.21
0.00	0.00
4,500.00	4,500.00
27,776.71	51,195.21
48,097.66	57,643.86
27,328,780.50	42,600,770.08
21,997,319.75	32,874,691.77

III. Net Contributions/Operating Expenditures

32. Total Contributions (other than loans) (from line 11d) _____
33. Total Contribution Refunds (from line 28d) _____
34. Net Contributions (other than loans) (subtract line 33 from line 32) _____
35. Total Federal Operating Expenditures _____ (add 21 a i and 21 b) >
36. Offsets to Operating Expenditures (from line 15) _____
37. Net Operating Expenditures _____ (subtract line 36 from line 35) >

17,641,169.99	29,111,660.81
27,776.71	51,195.21
17,613,393.23	29,060,465.60
16,414,101.56	26,229,622.14
608,326.88	719,471.98
15,805,774.68	25,510,150.16

ACTIVITY SCHEDULE

Page 5
FOR LINE 21a

Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squires/Knapp/Ocho 511 2nd Street, NE Washington, D.C. 20002	Media	8/15/95	425,000.00	255,000.00	170,000.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 816,492,267.84 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		5,525.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 8 DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		12,325.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 8 DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		2,975.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 8 DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		2,975.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 8 DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION EVENT YEAR TO DATE: 8 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			425,000.00	255,000.00	170,000.00
TOTAL THIS PERIOD (and page for each line only) Fed. share to 21 a and non-Fed. share to 21 b ()					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (and for the 21 of the above schedule page)					

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ACTIVITY SCHEDULE

PAGE 10
FOR LINE 24

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squire/Kaapp/Ocho 511 2nd Street, NE Washington, D.C. 20002	Media	8/20/95	62,236.67	37,342.00	24,894.67
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 16,492,247.84 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		809.08		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beehols Road W. Redding, CT 06896	Media		1,804.86		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penciner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		435.66		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		435.66		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> RAISE/RAISE <input type="checkbox"/> DIRECT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			62,236.67	37,342.00	24,894.67
TOTAL THIS PERIOD (see page for each line and total share to 21 and non-Fed share to 21 & 2)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (see for line 21 of the schedule)					

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PAGE 07
FOR LINE 210

NAME OF COMPANY

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	10/3/95	109,020.00	65,412.00	43,608.00
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 16,492,247.84 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 303 New York, NY 10012	Media		1,308.24 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		2,834.52 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		654.12 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		654.12 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			109,020.00	65,412.00	43,608.00
TOTAL THIS PERIOD (See page 1 for the UNFPAI share to 21 a) and non-Fed. share to 21 b) --					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (See page 1 for the UNFPAI share to 21 a) and non-Fed. share to 21 b) --					

PAGE 02
FOR LINE 210

DNC Services Corp. / Democratic National Committee

ANNOUNCEMENT

ACTIVITY SCHEDULE

FOR LINE 216

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ocho 511 2nd Street, NE Washington, D.C. 20002	Media	10/18/95	91,300.00	54,780.00	36,520.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR TO DATE: 8/16/92-2/27/94 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		1,095.60		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR TO DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Message Advisors 20 Beecham Road W. Radding, CT 06896	Media		2,373.80		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR TO DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Pencaster Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		547.80		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR TO DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		547.80		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR TO DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			91,300.00	54,780.00	36,520.00
TOTAL THIS PERIOD (See page for each line and attach to 21 a) and non-Fed. shares to 21 b)					
TOTAL THIS PERIOD FOR THIS NON-FEDERAL SHARE (See page for line 21 of the attached schedule)					

ATTACHMENT

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ACTIVITY SCHEDULE

FOR LINE 14

ABC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Bogler/Knapp/Ochs 911 2nd Street, NE Washington, D.C. 20002	Media	10/24/95	91,300.00	54,780.00	36,520.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 11A.A92.247.BA <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		1,095.60		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beehols Road W. Redding, CT 06896	Media		2,373.80		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Pencsner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		547.80		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		547.80		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> DEBATE EVENT YEAR TO DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			91,300.00	54,780.00	36,520.00
TOTAL THIS PERIOD (see page for cash and other Fed. share to 21 a + one non-Fed. share to 21 a q)					
TOTAL THIS PERIOD FOR FEDERAL SHARE (see page for cash and other Fed. share to 21 a + one non-Fed. share to 21 a q)					

ATTACHMENT 5

Page 8 of 29

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JOINT FEDERAL AND NON-FEDERAL ACTIVITY SCHEDULE

Page 1 of 1
FOR LINE 21a

NAME OF CONTRIBUTOR

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	11/1/95	109,020.00	65,412.00	43,608.00

CATEGORY: ☒ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 116,492,267.84 DIRECT CANDIDATE SUPPORT

B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		1,308.24		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT

C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		2,834.52		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT

D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		654.12		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT

E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		654.12		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT

F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT

SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE	109,020.00	65,412.00	43,608.00
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TOTAL THIS PERIOD (see page for each line entry) (Fed. share in 21 a 1 and non-Fed. share in 21 a 2)			
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TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 21 of the candidate's summary page)			
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ATTACHMENT 5
Page 9 of 29

20-04-750-1002

ACTIVITY SCHEDULE

FORM 101
FOR LINE 21b

DSC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	11/3/95	8,096.00	4,857.60	3,238.40
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 816,492,247.84 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		97.15		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		210.50		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		48.58		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		48.58		
MEMO					
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			8,096.00	4,857.00	3,238.40
TOTAL THIS PERIOD (see page 1a for each line category, share to 21 a 1 and non-Fed. share to 21 a 2)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (share for line 21 of the 1995 activity page)					

ATTACHMENT

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2004043901005
20030164722

ACTIVITY SCHEDULE

FORM 10-1
FOR LINE 21a

300 Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squiar/Kelly/... 511 2nd Street, NE Washington, D.C. 20002	Media	11/13/95	112,290.00	67,374.00	44,916.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 116,492,247.84 DIRECT CANDIDATE SUPPORT					
Austin Sheinkopf 379 W. Broadway, Suite 303 New York, NY, 10012	Media		1,347.48 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: DIRECT CANDIDATE SUPPORT					
Message Advisors 20 Beshols Road W. Redding, CT 06896	Media		2,919.54 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: DIRECT CANDIDATE SUPPORT					
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		673.74 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: DIRECT CANDIDATE SUPPORT					
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		673.74 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			112,290.00	67,374.00	44,916.00
TOTAL THIS PERIOD (Ind page for each the entry) Fed. share to 21 a. and non-Fed. share to 21 b. 0					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (Ind for line 21 of the duplicate summary page)					

ATTACHMENT 5

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JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 311 2nd Street, NE Washington, D.C. 20002	Media	11/17/95	59,000.00	35,400.00	23,600.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 816,492,247.84 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		708.00		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		1,536.00		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		354.00		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		354.00		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			59,000.00	35,400.00	23,600.00
TOTAL THIS PERIOD (list page for each line entry) (Fed. share to 21 a i and non-Fed. share to 21 a ii)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (list for line 21 of the detailed summary page)					

ATTACHMENT

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DISBURSEMENT SCHEDULE M
(Effective 1/1/81)JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULEPAGE 13 OF 29
FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ocho 511 2nd Street, NE Washington, D.C. 20002	Media	11/22/95	150,000.00	90,000.00	60,000.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 16,492,247.84 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		1,800.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		3,900.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		900.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		900.00 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			150,000.00	90,000.00	60,000.00
TOTAL THIS PERIOD (see page for each line only) Fed. share to 21 a; and non-Fed. share to 21 a & b					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 21 of the detailed summary page)					

All non-Federal

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DISBURSEMENT SCHEDULE H
(effective 1/1/91)JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULEPAGE 5 OF 29
FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	11/24/95	13,100.00	7,860.00	5,240.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 16,492,247.84 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		157.20 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: <u>1</u> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		340.60 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: <u>1</u> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		78.60 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: <u>1</u> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		78.60 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: <u>1</u> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: <u>1</u> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			13,100.00	7,860.00	5,240.00
TOTAL THIS PERIOD (see page for each line entry) Fed. share to 21 a 1 and non-Fed. share to 21 a 4					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (see for line 31 of the detailed summary page)					

ATTACHMENT

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of

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DISBURSEMENT SCHEDULE
(effective 1/1/91)

**JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE**

PAGE 15 OF 29
FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Dcha 511 2nd Street, NE Washington, D.C. 20002	Media	12/7/95	43,040.00	25,824.00	17,216.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 16 492,247 86 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		516.48		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		1,119.04		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		258.24		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		258.24		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT <u>MEMO</u>					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			43,040.00	25,824.00	17,216.00
TOTAL THIS PERIOD (last page for each line only)(Fed. share to 21 a. and non-Fed. share to 21 b. c.)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	12/12/95	44,900.00	26,940.00	17,960.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 16,492,247.84 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		538.80		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		1,167.40 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		269.40 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		269.40 MEMO		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 1 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			44,900.00	26,940.00	17,960.00
TOTAL THIS PERIOD (last page for each line only) (Fed. share to 21 a. and non-Fed. share to 21 b.)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

DISBURSEMENT SCHEDULE H4
(Effective 1/1/91)

JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE CP
FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 511 2nd Street, NE Washington, D.C. 20002	Media	12/14/95	22,450.00	13,470.00	8,980.00

CATEGORY: ☒ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 816,492,247.84 ☐ DIRECT CANDIDATE SUPPORT

B FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		269.40 MEMO		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 8 ☐ DIRECT CANDIDATE SUPPORT

C FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		583.70 MEMO		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 8 ☐ DIRECT CANDIDATE SUPPORT

D FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		134.70 MEMO		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 8 ☐ DIRECT CANDIDATE SUPPORT

E FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		134.70 MEMO		

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 8 ☐ DIRECT CANDIDATE SUPPORT

F FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: 8 ☐ DIRECT CANDIDATE SUPPORT

SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE	22,450.00	13,470.00	8,980.00
TOTAL THIS PERIOD (last page for each line only) (Fed. share to 21 a. and non-Fed. share to 21 a.2)			
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)			

ATTACHMENT 15
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JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE	OF
FOR LINE 21a	

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Sculer/Knapp/Ucha 511 2nd Street, NE Washington, D.C. 20002	Media	12/18/95	22,450.00	13,470.00	8,980.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 16,492,247.84 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		269.40		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT			MEMO		
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		583.70		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT			MEMO		
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		134.70		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT			MEMO		
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		134.70		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT			MEMO		
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			22,450.00	13,470.00	8,980.00
TOTAL THIS PERIOD (use page for each line entry) (Fed. share is 21 a. and non-Fed. share is 21 b. c.)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

For Other Than An Authorized Committee
(Summary Page)

RECEIVED
FEDERAL ELECTION
COMMISSION
PUBLIC DISCLOSURE
DIVISION

APR 15 5 32 PM '96

1. NAME OF COMMITTEE (in full)
DNC Services Corp. / Democratic National Committee

ADDRESS (number and street) ☐ Check if different than previously reported
430 South Capitol Street, S.E.

CITY, STATE and ZIP CODE
Washington, D.C. 20003

2. FEC IDENTIFICATION NUMBER
C00010603

3. ☐ This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

4. TYPE OF REPORT

(a) ☒ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☐ Termination Report

Monthly Report Due On:

☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 31

☐ Twelfth day report preceding _____
(Type of Election)

election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____
in the State of _____

(b) Is this Report an Amendment?

☐ YES

☒ NO

SUMMARY		COLUMN A	COLUMN B
5. Covering Period 1/1/96 through 3/31/96		This Period	Calendar Year-to-Date
6. (a) Cash on Hand January 1, 1996			\$ 1,323,152.59
(b) Cash on Hand at Beginning of Reporting Period		\$ 1,323,152.59	
(c) Total Receipts (from Line 1b)		\$17,041,323.72	\$17,041,323.72
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)		\$18,364,476.31	\$18,364,476.31
7. Total Disbursements (from Line 3c)		\$15,602,502.65	\$15,602,502.65
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))		\$ 2,761,973.66	\$ 2,761,973.66
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)		\$ 37,121.58	For further information consult Federal Election Commission 600 E Street, NW Washington, DC 20003 Tel Free 800-424-6528 Local 202-219-3428
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)		\$ 4,741,849.62	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer
Bradley K. Marshall

Assistant Treasurer

Signature of Treasurer
Bradley K. Marshall

Date
4/18/96

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 19001.

ATTACHMENT

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FEC

I. Receipts

	COLUMN A Total This Period	COLUMN B Calendar Year
11. Contributions (other than loans) From:		
a. Individual/Persons Other Than Political Committees		
i. Itemized (use Schedule A)	4,050,674.73	4,050,674.73
ii. Unitemized	8,482,644.60	8,482,644.60
iii. Total (add i and ii) >	12,533,319.33	12,533,319.33
b. Political Party Committees	0.00	0.00
c. Other Political Committees (such as PACs)	262,825.00	262,825.00
d. Total Contributions (add a iii, b and c) >	12,796,144.33	12,796,144.33
12. Transfers From Affiliated/Other Party Committees	344,762.29	344,762.29
13. All Loans Received	950,000.00	950,000.00
14. Loan Repayments Received	0.00	0.00
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.)	60,221.44	60,221.44
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees	0.00	0.00
17. Other Federal Receipts (Dividends, Interest, etc.)	886.96	886.96
18. Transfers from Nonfederal Account for Joint Activity	2,889,308.70	2,889,308.70
19. Total Receipts (add 11d, 12, 13, 14, 15, 16, 17, and 18) >	17,041,323.72	17,041,323.72
20. Total Federal Receipts (subtract line 18 from line 19) >	14,152,015.02	14,152,015.02

II. Disbursements

21. Operating Expenditures:		
a. Shared Federal/Non-Federal Activity (from Schedule M4)		
i. Federal Share	3,751,447.69	3,751,447.69
ii. Non-Federal Share	2,993,659.99	2,993,659.99
b. Other Federal Operating Expenditures	5,226,485.99	5,226,485.99
c. Total Operating Expenditures (add a i, a ii, and b) >	11,971,593.67	11,971,593.67
22. Transfers to Affiliated/Other Party Committees	3,079,803.87	3,079,803.87
23. Contributions to Federal Candidates/Committees and Other Political Committees	1,500.00	1,500.00
24. Independent Expenditures (use Schedule E)	0.00	0.00
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F)	338.00	338.00
26. Loan Repayments Made	500,000.00	500,000.00
27. Loans Made	0.00	0.00
28. Refunds of Contributions To:		
a. Individual/Persons Other Than Political Committees	27,841.57	27,841.57
b. Political Party Committees	0.00	0.00
c. Other Political Committees (such as PACs)	0.00	0.00
d. Total Contribution Refunds (add a, b and c) >	27,841.57	27,841.57
29. Other Disbursements	21,425.54	21,425.54
30. Total Disbursements (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >	15,602,502.65	15,602,502.65
31. Total Federal Disbursements (subtract line 21 a i from line 30) >	12,608,842.66	12,608,842.66

III. Net Contributions/Operating Expenditures

32. Total Contributions (other than loans) (from line 11d)	12,796,144.33	12,796,144.33
33. Total Contribution Refunds (from line 28d)	27,841.57	27,841.57
34. Net Contributions (other than loans) (subtract line 33 from line 32)	12,768,302.76	12,768,302.76
35. Total Federal Operating Expenditures (add 21 a i and 21 a ii) >	8,977,933.68	8,977,933.68
36. Offsets to Operating Expenditures (from line 15)	60,221.44	60,221.44
37. Net Operating Expenditures (subtract line 36 from line 35) >	8,917,712.24	8,917,712.24

ATTACHMENT

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JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Squier/Knapp/Ochs 311 2nd Street, NE Washington, D.C. 20002	Media	3/11/96	486,600.00	316,290.00	170,310.00
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 5,252,791.39 DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Austin Sheinkopf 379 W. Broadway, Suite 305 New York, NY 10012	Media		5,839.20		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Message Advisors 20 Beeholm Road W. Redding, CT 06896	Media		11,678.40		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Penczner Productions 6733 Kirby Oaks Lane Memphis, TN 38119	Media		2,919.60		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Fenn & Schoen Associates, Inc. 245 E. 92nd Street New York, NY 10128	Media		2,919.60		
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: 8 DIRECT CANDIDATE SUPPORT					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			486,600.00	316,290.00	170,310.00
TOTAL THIS PERIOD (Sum of lines 21a and 21b) and any other lines 21a and 21b					

ATTACHMENT

Page 21 of 29

REPORT OF RECEIPTS AND DISBURSEMENTS For Other Than An Authorized Committee (Summary Page)

RECEIVED
FEDERAL ELECTION
COMMISSION

USE PEC HAVING LABEL OR PRINT

TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
DNC Services Corporation/Democratic National Committee
ADDRESS (number and street) ☐ Check if different than previously reported
430 South Capitol Street, S.E.
CITY, STATE and ZIP CODE
Washington, D.C. 20003

2. IDENTIFICATION NUMBER
C00010603
3. ☐ This committee has qualified as a multicandidate committee. (see FEC FORM 110)

4. TYPE OF REPORT

- (a) ☐ April 15 Quarterly Report
☒ July 15 Quarterly Report
☐ October 15 Quarterly Report
☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-election Year Only)

Monthly Report Due On:

- ☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 31

☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____
in the State of _____

☐ Termination Report

(b) Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period	4/1/96 through 6/30/96		
6. (a) Cash on Hand January 1, 1996			\$ 1,323,152.59
(b) Cash on Hand at Beginning of Reporting Period		\$ 2,761,973.66	
(c) Total Receipts (from Line 19)		\$ 25,676,079.77	\$ 42,717,403.49
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)		\$ 28,438,053.43	\$ 44,040,556.08
7. Total Disbursements (from Line 30)		\$23,178,991.93	\$38,781,494.58
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))		\$ 5,259,061.50	\$ 5,259,061.50
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)		\$ 37,121.58	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)		\$ 4,662,595.86	

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9630
Local 202-219-3420

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Signature of Treasurer

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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FEC FORM 3X
(revised 8/8)

PERMANENT

ATTACHMENT

Page

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DETAILED SUMMARY PAGE

DETAILED SUMMARY PAGE

OF RECEIPTS AND DISBURSEMENTS

PAGE 2, FEC FORM 278e

(revised 1/1/91)

NAME OF COMMITTEE
DNC Services Corp. / Democratic National Committee

REPORT COVERING PERIOD
FROM 4/1/96 TO 6/30/96

	COLUMN A Total This Period	COLUMN B Calendar Year
I. Receipts		
11. Contributions (other than loans) From:		
a. Individual/Persons Other Than Political Committees		
i. Itemized (use Schedule A)	9,222,317.20	13,272,991.93
ii. Unitemized	9,297,041.34	17,779,685.94
iii. Total (add i and ii) >	18,519,358.54	31,052,677.87
b. Political Party Committees	0.00	0.00
c. Other Political Committees (such as PACs)	357,815.00	620,640.00
d. Total Contributions (add a iii, b and c) >	18,877,173.54	31,673,317.87
12. Transfers From Affiliated/Other Party Committees	588,672.19	933,434.48
13. All Loans Received	1,450,000	2,400,000.00
14. Loan Repayments Received	0.00	0.00
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.)	308,833.37	369,054.81
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees	0.00	0.00
17. Other Federal Receipts (Dividends, Interest, etc.)	524.41	1,411.37
18. Transfers from Nonfederal Account for Joint Activity	4,450,876.26	7,340,184.96
19. Total Receipts (add 11d, 12, 13, 14, 15, 16, 17, and 18) >	25,676,079.77	42,717,403.49
20. Total Federal Receipts (subtract line 18 from line 19) >	21,225,203.51	35,377,218.53
II. Disbursements		
21. Operating Expenditures:		
a. Shared Federal/Non-Federal Activity (from Schedule H4)		
i. Federal Share	4,251,920.20	8,003,367.89
ii. Non-Federal Share	4,827,856.55	7,821,516.54
b. Other Federal Operating Expenditures	3,725,276.79	8,951,762.78
c. Total Operating Expenditures (add a i, a ii, and b) >	12,805,053.54	24,776,647.21
22. Transfers to Affiliated/Other Party Committees	8,776,857.78	11,856,661.65
23. Contributions to Federal Candidates/Committees and Other Political Committees	1,297.45	2,797.45
24. Independent Expenditures (use Schedule E)	0.00	0.00
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F)	0.00	338.00
26. Loan Repayments Made	1,500,000.00	2,000,000.00
27. Loans Made	0.00	0.00
28. Refunds of Contributions To:		
a. Individuals/Persons Other Than Political Committees	13,526.00	41,367.57
b. Political Party Committees	0.00	0.00
c. Other Political Committees (such as PACs)	0.00	0.00
d. Total Contribution Refunds (add a, b and c) >	13,526.00	41,367.57
29. Other Disbursements	82,257.16	103,682.70
30. Total Disbursements (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >	23,178,991.93	38,781,494.58
31. Total Federal Disbursements (subtract line 21 a ii from line 30) >	18,351,135.38	30,959,978.04
III. Net Contributions/Operating Expenditures		
32. Total Contributions (other than loans)(from line 11d)	18,877,173.54	31,673,317.87
33. Total Contribution Refunds (from line 28d)	13,526.00	41,367.57
34. Net Contributions (other than loans)(subtract line 33 from 32)	18,863,647.54	31,631,950.30
35. Total Federal Operating Expenditures (add 21 a i and 21 b) >	7,977,196.99	16,955,130.67
36. Offsets to Operating Expenditures (from line 15)	308,833.37	369,054.81
37. Net Operating Expenditures (subtract line 36 from 35) >	7,668,363.62	16,586,075.86

ATTACHMENT 5

PCASANDS

DISBURSEMENT SCHEDULE H4

(effective 1/1/91)

JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

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DISBURSEMENT SCHEDULE B-T

FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

FULL NAME, MAILING ADDRESS & ZIP CODE HARRIMAN COMMUNICATIONS CENTER 430 SOUTH CAPITOL STREET, S.E. WASHINGTON, DC 20003		PURPOSE/EVENT OFFICE EXPENSES	DATE 5/21/96	TOTAL AMOUNT \$206.22	FEDERAL SHARE \$134.04	NON-FEDERAL \$72.18
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE BUTLER, MATT 4824 ALTON PLACE WASHINGTON, DC 20018		PURPOSE/EVENT TRAVEL EXPENSES	DATE 5/21/96	TOTAL AMOUNT \$206.89	FEDERAL SHARE \$134.48	NON-FEDERAL \$72.41
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE SQUIER, KNAPP, OCHS 511 2ND STREET, N.E. WASHINGTON, DC 20002		PURPOSE/EVENT MEDIA	DATE 5/21/96	TOTAL AMOUNT \$111,682.00	FEDERAL SHARE \$72,593.30	NON-FEDERAL \$39,088.70
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE ALICE TRAVIS GERMOND 520 SIXTH STREET, S.E. WASHINGTON, DC 20003		PURPOSE/EVENT CONSULTING FEES	DATE 5/22/96	TOTAL AMOUNT \$3,000.00	FEDERAL SHARE \$1,950.00	NON-FEDERAL \$1,050.00
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE WORLD WIDE TRAVEL 2228 COTTONDALE LANE P.O. BOX 2701 LITTLE ROCK, AR 72203-2701		PURPOSE/EVENT AIRFARE	DATE 5/22/96	TOTAL AMOUNT \$1,097.82	FEDERAL SHARE \$713.58	NON-FEDERAL \$384.24
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE WILLIS, CAROL 2001 GATEWOOD PLACE SILVER SPRING, MD 20901		PURPOSE/EVENT TRAVEL EXPENSES	DATE 5/22/96	TOTAL AMOUNT \$2,706.22	FEDERAL SHARE \$1,759.04	NON-FEDERAL \$947.18
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94						
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE						
TOTAL THIS PERIOD (total page for each line only; Fed share to 21 a (and non-Fed share to 21 a n))						
TOTAL THIS PERIOD FOR THE NON-FEDERAL (used for line 31 of the detailed summary page)						

ATTACHMENT

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DISBURSEMENT SCHEDULE H4

(Effective 1/1/91)

JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE 188 OF 281

DISBURSEMENT SCHEDULE B-7

FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
JONES, LISA 4309 SWINDON TERRACE UPPER MARLBORO, MD 20772	OFFICE EXPENSES	6/13/96	\$125.07	\$81.30	\$43.77
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
CAMPAIGN PERFORMANCE GROUP 2600 VIRGINIA AVENUE N.W. SUITE 303 WASHINGTON, DC 20037-1905	CONSULTING FEES	6/13/96	\$2,000.00	\$1,300.00	\$700.00
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
CHESAPEAKE BAGEL BAKERY 215 PENNSYLVANIA AVE., N.W. WASHINGTON, DC 20003	CATERING	6/14/96	\$103.50	\$67.28	\$36.23
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
JONES, LISA 4309 SWINDON TERRACE UPPER MARLBORO, MD 20772	OFFICE EXPENSES	6/17/96	\$52.40	\$34.06	\$18.34
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
SQUIER, KNAPP, OCHS 511 2ND STREET, N.E. WASHINGTON, DC 20002	MEDIA	6/17/96	\$260,755.00	\$169,490.75	\$91,264.25
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
INPUT SOLUTIONS, INC. 9250 GAITHER ROAD GAITHERSBURG, MD 20877	COMPUTERS	6/18/96	\$3,532.65	\$2,296.22	\$1,236.43
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE \$10,732,936.94					
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			ATTACHMENT 5		
TOTAL THIS PERIOD (last page for each line only; Fed share to 21 a; and non-Fed share to 21 a)			Page 25 of 29		
TOTAL THIS PERIOD FOR THE NON-FEDERAL (used for line 31 of the detailed summary page)					

DISBURSEMENT SCHEDULE H4

Effective 1/1/91

JOINT FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE 207 OF 261

DISBURSEMENT SCHEDULE B-7

FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

FULL NAME, MAILING ADDRESS & ZIP CODE SOLOMON, ANDREW 2800 WOODLEY ROAD, N.W. #342 WASHINGTON, DC 20008		PURPOSE/EVENT TRAVEL EXPENSES	DATE 8/24/96	TOTAL AMOUNT \$129.00	FEDERAL SHARE \$83.85	NON-FEDERAL \$45.15
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE SOLOMON, ANDREW 2800 WOODLEY ROAD, N.W. #342 WASHINGTON, DC 20008		PURPOSE/EVENT TRAVEL EXPENSES	DATE 6/24/96	TOTAL AMOUNT \$18.79	FEDERAL SHARE \$12.21	NON-FEDERAL \$6.58
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE SQUIER, KNIAPP, OCHS 511 2ND STREET, N.E. WASHINGTON, DC 20002		PURPOSE/EVENT MEDIA	DATE 6/24/96	TOTAL AMOUNT \$222,775.00	FEDERAL SHARE \$144,803.75	NON-FEDERAL \$77,971.25
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE BELL ATLANTIC-MD P.O. BOX 408 COCKEYSVILLE, MD 21030		PURPOSE/EVENT TELEPHONE	DATE 6/27/96	TOTAL AMOUNT \$6,315.31	FEDERAL SHARE \$4,104.95	NON-FEDERAL \$2,210.36
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE IMAGEPRESS GROUP COMPANY 3501 52ND AVENUE HYATTSVILLE, MD 20781		PURPOSE/EVENT OFFICE EXPENSES	DATE 6/27/96	TOTAL AMOUNT \$882.00	FEDERAL SHARE \$573.30	NON-FEDERAL \$308.70
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						
FULL NAME, MAILING ADDRESS & ZIP CODE DECISIONONE CORPORATION P.O. BOX 8500 K-185 PHILADELPHIA, PA 19178		PURPOSE/EVENT MAINTENANCE	DATE 6/27/96	TOTAL AMOUNT \$1,562.28	FEDERAL SHARE \$1,015.48	NON-FEDERAL \$546.80
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$10,732,936.94						

SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE

TOTAL THIS PERIOD (last page for each line only; Fed share to 21 a i and non-Fed share to 21 a ii)

TOTAL THIS PERIOD FOR THE NON-FEDERAL (used for line 31 of the detailed summary page)

ATTACHMENT

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REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee
(Summary Page)

HAND DELIVERED

RECEIVED
FEDERAL ELECTION
COMMISSION
PUBLIC DISCLOSURE
DIVISION

OCT 15 6 34 PM '96

USE FEC MAILING LABEL
OR
TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
DNC Services Corp. / Democratic National Committee

ADDRESS (number and street) ☐ Check if different than previously reported
430 South Capitol Street, S.E.

CITY, STATE and ZIP CODE
Washington, D.C. 20003

2. FEC IDENTIFICATION NUMBER
C00010503

3. ☐ This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

4. TYPE OF REPORT

- (a) ☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☒ October 15 Quarterly Report
☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-election Year Only)

- Monthly Report Due On:
- | | | |
|--------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> February 20 | <input type="checkbox"/> June 20 | <input type="checkbox"/> October 20 |
| <input type="checkbox"/> March 20 | <input type="checkbox"/> July 20 | <input type="checkbox"/> November 20 |
| <input type="checkbox"/> April 20 | <input type="checkbox"/> August 20 | <input type="checkbox"/> December 20 |
| <input type="checkbox"/> May 20 | <input type="checkbox"/> September 20 | <input type="checkbox"/> January 31 |

- ☐ Twelfth day report preceding _____
(Type of Election)
election on _____ in the State of _____
- ☐ Thirtieth day report following the General Election on _____
in the State of _____

☐ Termination Report

(b) Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. Covering Period <u>7/1/96</u> through <u>9/30/96</u>		
6. (a) Cash on Hand January 1, 19__		\$ 1,323,152.59
6. (b) Cash on Hand at Beginning of Reporting Period	\$ 5,259,061.50	
6. (c) Total Receipts (from Line 10)	\$ 27,465,231.72	\$ 70,182,635.21
6. (d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(c) and 6(d) for Column B)	\$ 32,724,293.22	\$ 71,505,787.80
7. Total Disbursements (from Line 30)	\$ 27,874,548.12	\$ 64,636,042.70
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 4,849,745.10	\$ 4,849,745.10
9. Debts and Obligations Owed TO the Committee (Report all on Schedule C and/or Schedule D)	\$ 17,121.50	
10. Debts and Obligations Owed BY the Committee (Report all on Schedule C and/or Schedule D)	\$ 4,746,244.83	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer: **John A. ...**

Signature of Treasurer: *[Signature]*

ATTACHMENT **27** of **29**

Date: **10/10/96**

96.03.088.0003

DETAILED SUMMARY PAGE

OF RECEIPTS AND DISBURSEMENTS

PAGE 2, FEC FORM 2X

(revised 1/1/91)

NAME OF COMMITTEE DNC Services Corp. / Democratic National Committee		REPORT COVERING PERIOD FROM 7/1/96 TO 9/30/96	
		COLUMN A Total This Period	COLUMN B Calendar Year
I. Receipts			
11. Contributions (other than loans) From:			
a. Individual/Persons Other Than Political Committees			
I. Itemized (use Schedule A) _____		12,367,254.50	25,640,246.43
II. Unitemized _____		9,752,172.69	27,531,858.63
III. Total _____ (add I and II) >		22,119,427.19	53,172,105.06
b. Political Party Committees _____		0.00	0.00
c. Other Political Committees (such as PACs) _____		273,350.00	893,990.00
d. Total Contributions _____ (add a II, b and c) >		22,392,777.19	54,066,095.06
12. Transfers From Affiliated/Other Party Committees _____		1,050,915.03	1,984,349.51
13. All Loans Received _____		0.00	2,400,000.00
14. Loan Repayments Received _____		0.00	0.00
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) _____		467,782.98	836,837.79
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees _____		0.00	0.00
17. Other Federal Receipts (Dividends, Interest, etc.) _____		20,693.03	22,104.40
18. Transfers from Nonfederal Account for Joint Activity _____		3,533,063.49	10,873,248.45
19. Total Receipts _____ (add 11d, 12, 13, 14, 15, 16, 17, and 18) >		27,465,231.72	70,182,635.21
20. Total Federal Receipts _____ (subtract line 18 from line 19) >		23,932,168.23	59,309,386.76
II. Disbursements			
21. Operating Expenditures:			
a. Shared Federal/Non-Federal Activity (from Schedule H4)			
I. Federal Share _____		6,525,771.92	14,529,139.81
II. Non-Federal Share _____		5,794,225.51	13,615,742.05
b. Other Federal Operating Expenditures _____		6,368,426.16	15,320,188.94
c. Total Operating Expenditures _____ (add a I, a II, and b) >		18,688,423.59	43,465,070.80
22. Transfers to Affiliated/Other Party Committees _____		4,945,054.61	16,801,726.26
23. Contributions to Federal Candidates/Committees and Other Political Committees _____		5,000.00	7,797.45
24. Independent Expenditures (use Schedule E) _____		0.00	0.00
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F) _____		2,667,854.50	2,668,192.50
26. Loan Repayments Made _____		1,500,000.00	3,500,000.00
27. Loans Made _____		0.00	0.00
28. Refunds of Contributions To:			
a. Individual/Persons Other Than Political Committees _____		10,375.00	51,742.57
b. Political Party Committees _____		0.00	0.00
c. Other Political Committees (such as PACs) _____		0.00	0.00
d. Total Contribution Refunds _____ (add a, b and c) >		10,375.00	51,742.57
29. Other Disbursements _____		57,830.42	161,513.12
30. Total Disbursements _____ (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >		27,874,548.12	64,856,042.70
31. Total Federal Disbursements _____ (subtract line 21 a I from line 30) >		22,080,322.61	59,040,500.63
III. Net Contributions/Operating Expenditures			
32. Total Contributions (other than loans)(from line 11d) _____		22,392,777.19	54,066,095.06
33. Total Contribution Refunds (from line 28d) _____		10,375.00	51,742.57
34. Net Contributions (other than loans)(subtract line 33 from 32) _____		22,382,402.19	54,014,352.49
35. Total Federal Operating Expenditures _____ (add 21 a I and 21 b) >		12,894,198.08	29,949,228.79
36. Offsets to Operating Expenditures (from line 15) _____		467,782.98	836,837.79
37. Net Operating Expenditures _____ (subtract line 36 from 35) >		12,426,415.10	29,012,490.66

96.03.080.0004

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

FULL NAME, BRANCH ADDRESS & ZIP CODE JONES, LISA 4309 SWINDON TERRACE UPPER MARLBORO, MD 20772	PURPOSE/EVENT EQUIPMENT	DATE 9/10/98	TOTAL AMOUNT \$1,520.84	FEDERAL SHARE \$888.42	NON-FEDERAL \$632.22
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					
FULL NAME, BRANCH ADDRESS & ZIP CODE JONES, LISA 4309 SWINDON TERRACE UPPER MARLBORO, MD 20772	PURPOSE/EVENT OFFICE EXPENSES	DATE 9/10/98	TOTAL AMOUNT \$84.00	FEDERAL SHARE \$84.00	NON-FEDERAL \$29.40
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					
FULL NAME, BRANCH ADDRESS & ZIP CODE SQUIER, KNAPP, OCHS 511 2ND STREET, N.E. WASHINGTON, DC 20002	PURPOSE/EVENT MEDIA	DATE 9/10/98	TOTAL AMOUNT \$140,000.00	FEDERAL SHARE \$91,000.00	NON-FEDERAL \$49,000.00
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					
FULL NAME, BRANCH ADDRESS & ZIP CODE SQUIER, KNAPP, OCHS 511 2ND STREET, N.E. WASHINGTON, DC 20002	PURPOSE/EVENT MEDIA	DATE 9/10/98	TOTAL AMOUNT \$6,000.00	FEDERAL SHARE \$5,850.00	NON-FEDERAL \$3,150.00
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					
FULL NAME, BRANCH ADDRESS & ZIP CODE AMERICAN EXPRESS SUITE 0001 CHICAGO, IL 60679-0001	PURPOSE/EVENT TRAVEL EXPENSES	DATE 9/11/98	TOTAL AMOUNT \$4,944.02	FEDERAL SHARE \$3,213.61	NON-FEDERAL \$1,730.41
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					
FULL NAME, BRANCH ADDRESS & ZIP CODE U.S. POSTAL SERVICE 600 WEST CAPITOL AVENUE LITTLE ROCK, AR 72201	PURPOSE/EVENT POSTAGE	DATE 9/11/98	TOTAL AMOUNT \$6,848.72	FEDERAL SHARE \$4,450.37	NON-FEDERAL \$2,398.35
CATEGORY: ADMIN/VOTER DRIVE EVENT YEAR-TO-DATE: \$18,047,270.87					

SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE

TOTAL THIS PERIOD (last page for each line only; Fed share to 21 a 1 and non-Fed share to 21 a 2)

TOTAL THIS PERIOD FOR THE NON-FEDERAL (used for line 31 of the detailed summary page)

ATTACHMENT

Page 29 of 29

96-03-088-2367

96030162211

1. NAME OF CONTRIBUTOR (Print)
PAC Services Corp. / Democratic National Committee
430 South Capitol Street, S.E.
ATLANTA, GA 30334
Washington, D.C. 20003

FEDERAL ELECTION COMMISSION
JAN ROOM
Jan 22 4 00 PM '95
2. FOR THIS REPORTING PERIOD
3. This committee has qualified as a political committee under PRC Section 304

4. TYPE OF REPORT

- (a) ☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☒ January 31 Year End Report
☐ July 31 Mid Year Report (Non-election Year Only)
☐ Termination Report
- Monthly Report Due On:
☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 21
- ☐ Twelve day report preceding election on _____ in the State of _____
☒ Thirteen day report following the election on 12/12/95 in the State of California.

(b) Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY		COLUMN A	COLUMN B
Reporting Period		This Period	Calendar Year-to-Date
1	(a) Cash on Hand January 1, 1995		\$ 828,078.27
	(b) Cash on Hand at Beginning of Reporting Period	\$ 2,126,211.73	
	(c) Total Receipts (from Line 10)	\$ 26,551,316.78	\$ 43,120,639.64
	(d) Disbursements (from Lines 6(a) and 6(b) for Column A and Lines 6(a) and 6(b) for Column B)	\$ 28,677,329.33	\$ 43,949,518.11
2	Total Disbursements (from Line 6)	\$ 27,328,780.50	\$ 42,600,770.08
3	Cash on Hand at Close of Reporting Period (from Line 7 from Line 6(d))	\$ 1,348,748.03	\$ 1,348,748.03
4	Debits and Obligations Owed TO the Committee (from all on Schedule C and/or Schedule D)	\$ 37,121.98	For further information see Part 2 of this report
5	Debits and Obligations Owed BY the Committee (from all on Schedule C and/or Schedule D)	\$ 4,172,113.05	Part 2 of this report

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type of Print Name of Treasurer: Bradley K. Marshall
Signature of Treasurer: [Signature]
Assistant Treasurer: [Signature] 1/22/95

NOTE: Submission of false, erroneous, or lacking info information may subject the person signing this Report to the penalties of 18 U.S.C. 1001.

1
FED FORM 1000-1000

CONTRIBUTOR'S REPORT ON THIS PAGE IS NOT REQUIRED IF THE CONTRIBUTOR IS A POLITICAL PARTY OR POLITICAL COMMITTEE OR A CANDIDATE FOR ELECTION, OR IF THE CONTRIBUTION IS A CONTRIBUTION TO A POLITICAL PARTY OR POLITICAL COMMITTEE OR A CANDIDATE FOR ELECTION, OR IF THE CONTRIBUTION IS A CONTRIBUTION TO A POLITICAL PARTY OR POLITICAL COMMITTEE OR A CANDIDATE FOR ELECTION.

DNC Service Corp

Democratic National Committee

PERMANENT, BUDGET ACCOUNTS & EXPENSES FINANCIAL INNOVATIONS 1 WENGEROFF BLVD. CRANFORD, NJ 07010 For: Clinton/Gore '96 (Primary)	PURPOSE OF DISBURSEMENT In-Kind Contribution CONTRIBUTION Supporters Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	DATE (month day, year) 9/18/95	AMOUNT OF DISBURSEMENT Disbursement This Period \$1,951.21
PERMANENT, BUDGET ACCOUNTS & EXPENSES JESSIE JACKSON JR. 71A WEST 140TH STREET MARTIN, IL 60420	PURPOSE OF DISBURSEMENT CONTRIBUTION IL-2 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) Special	DATE (month day, year) 12/1/95	AMOUNT OF DISBURSEMENT Disbursement This Period \$5,000.00
PERMANENT, BUDGET ACCOUNTS & EXPENSES ESTRUTH FOR CONGRESS	PURPOSE OF DISBURSEMENT CONTRIBUTION CA-15 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) Special	DATE (month day, year) 12/8/95	AMOUNT OF DISBURSEMENT Disbursement This Period \$5,000.00
PERMANENT, BUDGET ACCOUNTS & EXPENSES DNC TRAVEL OFFSET ACCOUNT 435 SOUTH CAPITOL ST., SE WASHINGTON, DC 20003 For: Jim Maloney for Congress (1994)	PURPOSE OF DISBURSEMENT In-Kind Contribution CONTRIBUTION CT-5 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	DATE (month day, year) 12/20/95	AMOUNT OF DISBURSEMENT Disbursement This Period \$3,017.89

2
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0
9
6

SUBTOTAL of Disbursements This Page (Total)

TOTAL This Page (Total)

13,978

REPORT OF RECEIPTS AND DISBURSEMENTS
BY AUTHORIZED COMMITTEE OF A
CANDIDATE FOR THE OFFICE OF PRESIDENTRECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

NOTE: This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

USE FEC MAILING LABEL OR TYPE OR PRINT	1. NAME OF COMMITTEE (in full)	2. IDENTIFICATION NUMBER
	Clinton/Gore '96 Primary Committee, Inc.	C00302265
	ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported	3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:
	P.O. Box 19100	<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General
	CITY, STATE and ZIP CODE	
	Washington, DC 20036	
4. TYPE OF REPORT ("X" appropriate box and complete, if applicable)	<input type="checkbox"/> Amendment for (Report)	<input checked="" type="checkbox"/> Monthly Report (month)
	<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> December
	<input type="checkbox"/> July 15 Quarterly Report	<input type="checkbox"/> January 31 Year-end Report
	<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Termination Report
	<input type="checkbox"/> Twelfth Day Before Election	<input type="checkbox"/> Thirtieth Day After Election
	TYPE OF ELECTION	
	Presidential	
	STATE	ELECTION DATE
		11/05/96

COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS

5. COVERING PERIOD	FROM December 1, 1996	THROUGH December 31, 1996
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	2,079,736.99
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	380.00
	8. SUBTOTAL (Add Line 6 and 7)	2,080,116.99
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	110,802.59
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	1,969,314.40
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	170,190.52
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	659,648.66
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	30,171,336.74
NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17e Column B)	2,847,518.51
	15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B)	21,117,183.17

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER

Joan C. Pollitt

SIGNATURE OF TREASURER

DATE

For further information, contact:

Federal Election Commission
Toll Free 800-424-9530
Local 378-3120

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.

All previous versions of FEC Form 3P are obsolete and should no longer be used.

FEC FORM 3P (2/83)

ATTACHMENT

Page 1

of 4

DETAILED SUMMARY OF RECEIPTS AND DISBURSEMENTS

(Page 2, FEC FORM 3P)

NAME OF COMMITTEE (in Full) Clinton/Gore '96 Primary Committee, Inc.		REPORT COVERING THE PERIOD From: 12-01-96 Through: 12-31-96	
		COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS			
16. FEDERAL FUNDS (Itemize on Schedule A-P)	0.00	13,412,197.51	16
17. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees	380.00	3,080,022.74	17(a)
(b) Political Party Committees	0.00	0.00	17(b)
(c) Other Political Committees	0.00	0.00	17(c)
(d) The Candidate	0.00	0.00	17(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (Add 17(a), 17(b), 17(c) and 17(d)) ..	380.00	3,080,022.74	17(e)
18. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	0.00	1,050.00	18
19. LOANS RECEIVED:			
(a) Loans Received From or Guaranteed by Candidate	0.00	0.00	19(a)
(b) Other Loans	0.00	0.00	19(b)
(c) TOTAL LOANS (Add 19(a) and 19(b))	0.00	0.00	19(c)
20. OFFSETS TO EXPENDITURES (Refunds, Rebates, etc.):			
(a) Operating	0.00	705,681.94	20(a)
(b) Fundraising	0.00	139,635.85	20(b)
(c) Legal and Accounting	0.00	145,552.18	20(c)
(d) TOTAL OFFSETS TO EXPENDITURES (Add 20(a), 20(b) and 20(c))	0.00	990,869.97	20(d)
21. OTHER RECEIPTS (Dividends, Interest, etc.)	0.00	432,428.15	21
22. TOTAL RECEIPTS (Add 16, 17(e), 18, 19(c), 20(d) and 21)	380.00	17,916,568.37	22
II. DISBURSEMENTS			
23. OPERATING EXPENDITURES	28,528.08	21,822,865.11	23
24. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	0.00	60,169.50	24
25. FUNDRAISING DISBURSEMENTS	3,342.46	5,144,649.95	25
26. EXEMPT LEGAL AND ACCOUNTING DISBURSEMENTS	78,932.05	2,094,360.74	26
27. LOAN REPAYMENTS MADE:			
(a) Repayments of Loans made or Guaranteed by Candidate	0.00	0.00	27(a)
(b) Other Repayments	0.00	0.00	27(b)
(c) TOTAL LOAN REPAYMENTS MADE (Add 27(a) and 27(b))	0.00	0.00	27(c)
28. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	0.00	232,504.23	28(a)
(b) Political Party Committees	0.00	0.00	28(b)
(c) Other Political Committees	0.00	0.00	28(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 28(a), 28(b) and 28(c))	0.00	232,504.23	28(d)
29. OTHER DISBURSEMENTS	0.00	29,601.00	29
30. TOTAL DISBURSEMENTS (Add 23, 24, 25, 26, 27(c), 28(d) and 29)	110,802.59	29,384,150.53	30
III. CONTRIBUTED ITEMS (Stock, Art Objects, Etc.)			
31. ITEMS ON HAND TO BE LIQUIDATED (Attach List)			31

ALLOCATION OF PRIMARY CAMPAIGN FUNDS BY STATE
FOR A PRESIDENTIAL CANDIDATE
(Used Only by Primary Committees
Receiving or Expecting To Receive Federal Funds)

1. NAME OF COMMITTEE IN FULL Clinton/Gore '96 Primary Committee, Inc.		2. IDENTIFICATION NUMBER C00302265
COMMITTEE ADDRESS 2100 M Street, NW		3. NAME OF CANDIDATE William J. Clinton
CITY, STATE AND ZIP CODE Washington, DC 20037		

ALLOCATION BY STATE

STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE	STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE
Alabama	-----	\$2,184.13	Nebraska	-----	\$684.03
Alaska	-----	\$2971.52	Nevada	-----	\$12,330.99
Arizona	-----	\$4359.71	New Hampshire	-----	\$146,351.47
Arkansas	-----	\$59318.88	New Jersey	-----	\$165,586.60
California	-----	\$607,202.70	New Mexico	-----	\$22,616.98
Colorado	-----	\$82,524.95	New York	-----	\$195,405.81
Connecticut	-----	\$8,124.95	North Carolina	-----	\$22,947.27
Delaware	-----	\$6,861.92	North Dakota	-----	\$1,811.46
District of Columbia	-----	-----	Ohio	-----	\$156,143.22
Florida	---	\$228,381.56	Oklahoma	-----	\$773.63
Georgia	---	\$3,735.01	Oregon	-----	\$38,613.07
Hawaii	---	\$1,843.25	Pennsylvania	-----	\$144,796.93
Idaho	---	\$2,660.40	Rhode Island	-----	\$5,593.60
Illinois	---	\$202,692.61	South Carolina	-----	\$3,048.06
Indiana	---	\$15,855.79	South Dakota	-----	\$5,245.69
Iowa	---	\$108,735.92	Tennessee	-----	\$66,988.18
Kansas	---	\$1,175.46	Texas	-----	\$71,797.40
Kentucky	---	\$84,069.65	Utah	-----	\$1,200.93
Louisiana	---	\$19,373.12	Vermont	-----	\$3,797.74
Maine	---	\$16,097.95	Virginia	-----	\$4,780.41
Maryland	---	\$31,858.01	Washington	-----	\$74,437.80
Massachusetts	---	\$63,615.41	West Virginia	-----	\$4,878.22
Michigan	---	\$152,583.48	Wisconsin	-----	\$81,243.54
Minnesota	---	\$9,873.46	Wyoming	-----	\$3,401.78
Mississippi	---	\$3,315.67	Puerto Rico	-----	
Missouri	---	\$64,548.33	Guam	-----	
Montana	---	\$2,696.38	Virgin Islands	-----	
TOTALS				-----	3,021,135.03

FEC FORM 3P, Worksheet
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

EXPENDITURES SUBJECT TO LIMIT
(Used Only by Primary Committee
Receiving or Expecting To Receive Federal Funds)

NAME OF CANDIDATE OR COMMITTEE (in Full)	PERIOD COVERED:	FROM	TO
Clinton/Gore '96 Primary Committee, Inc.		12-01-96	12-31-96
A. Operating Expenditures (Line 23, Column B)	21822865.11		
B. Operating Offsets (Line 20a, Column B)	705681.94		
C. Current Year Net Operating Expenditures (Subtract Line B from A)		21117183.17	
D. Prior Year(s) Operating Expenditures	6076008.22		
E. Prior Year(s) Operating Offsets	122977.82		
F. Prior Year(s) Net Operating Expenditures (Subtract Line E from D)		5953030.40	
G. Fundraising Disbursements (Line 25, Column B)	5144649.95		
H. Offsets to Fundraising Disbursements (Line 20b, Column B)	139635.85		
I. Current Year Net Fundraising Disbursements (Subtract Line H from G)	5005014.10		
J. Prior Year(s) Fundraising Disbursements	4522017.32		
K. Prior Year(s) Fundraising Disbursements Offsets	243908.25		
L. Prior Year(s) Net Fundraising Disbursements (Subtract Line K from J)	4278109.07		
M. Total Net Fundraising Disbursements (Add Lines I and L)	9283123.17		
N. 20% Exemption (20% of Overall Expenditure Limit)	6182000.00		
O. Total Fundraising Disbursements Subject to Limit (Subtract Line N from M)	See Instructions Below		3101123.17
P. Total Expenditures Subject to Limitation (Add Lines C, F and O)	See Instructions Below		30171336.74

INSTRUCTIONS
(Calculated from FEC Form 3P, page 2)

This worksheet must be retained to support, in part, the amount reported on Line 13.

FEC Form 3P, Worksheet, is for use by a candidate or the principal authorized committee of a candidate, to track expenditures subject to limitation during the primary campaign (2 U.S.C. § 441a(b)(1)(A)). As soon as possible after the beginning of the calendar year, the Commission will publish the adjusted limits to be used during the election cycle. The 20% fundraising exemption will be based on the published overall expenditure limitation.

Line A - From FEC Form 3P, page 2, enter the calendar year-to-date total for operating expenditures.

Line B - Enter the calendar year-to-date total of offsets to operating expenditures.

Line C - Subtract Line B from Line A.

Line D - If reports were filed in a prior year(s), from the year and report(s), enter the calendar year-to-date total for operating expenditures.

Line E - From the year-end report(s) for the prior year(s), enter the calendar year-to-date total for offsets to operating expenditures.

Line F - Subtract Line E from Line D.

Line G - From FEC Form 3P, page 2, enter the calendar year-to-date total for fundraising disbursements.

Line H - Enter the calendar year-to-date total for offsets to fundraising disbursements.

Line I - Subtract Line H from Line G to obtain the net fundraising disbursements for the current year.

Line J - If reports were filed in a prior year(s), enter the calendar year-to-date total for fundraising disbursements from the year-end report(s).

Line K - If offsets to fundraising disbursements were received in a prior year(s), enter the calendar year-to-date total from the year-end report(s).

Line L - Subtract Line K from Line J.

Line M - Add Line I and Line L.

Line N - Enter 20% of the overall expenditure limit as published by the FEC.

Line O - Subtract Line N from Line M. If the result is less than zero, enter -0-. If greater than zero, enter the amount.

Line P - Add Line C, Line F, and Line O to obtain the total of operating expenditures made by the Committee subject to 2 U.S.C. § 441a(b)(1)(A) limitation. The total reflected on Line P, "Total Expenditures Subject to Limitation," is carried forward to FEC Form 3P, Page 1, Line 13.

If the candidate has authorized other political committees, the principal campaign committee must first consolidate the calendar year-to-date receipt and disbursement activity on FEC Form 3P, page 4 (Consolidated Report of Receipts and Disbursements). FEC Form 3P, Worksheet, is completed using the appropriate column totals from the current and previous calendar year (if any) consolidation reports.

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The Secret Weapon: Advertising

anything we said in 1995. I countered by predicting that if we brought legislative issues into every American's home through ads, the Republican issues would be dead before the race even started—which is what happened.

Week after week, month after month, from early July 1995 more or less continually until election day in '96, sixteen months later, we bombarded the public with ads. The advertising was concentrated in the key swing states: California, Washington, Oregon, Colorado, New Mexico, Louisiana, Arkansas, Tennessee, Kentucky, Florida, North Carolina, New Jersey, Pennsylvania, Ohio, Michigan, Wisconsin, Illinois, Minnesota, Missouri, and Iowa. During this period, television viewers in these states saw, on average, 150 to 180 airings of a Clinton or a DNC commercial, about one every three days for a year and a half. This unprecedented campaign was the key to success.

I knew that the ad campaign had to begin early, be continual, stress the same themes week after week, and above all, not be jammed or countered by the press (which we called the free media, in contrast to ads, which we called the paid media).

To achieve relative "secrecy"—an ironic term for an ad campaign that reached about 125 million Americans three times a week—we decided not to advertise in New York City or Washington, D.C., and to run ads only occasionally in Los Angeles. These are the cities where journalists live and work. If the ads had run there, the press would have grasped the magnitude of what we were doing. But if these cities remained "dark," the national press would not make an issue of our ads—of this we felt sure.

That we succeeded so well is a brutal comment on the free media's limitations in a country the size of America. One or two reporters—notably Alison Mitchell of *The New York Times*—realized in part what we were doing, but most had no idea. Teams of reporters covered every move, slip, misstep, speech, or cough by the president, Dole, or Gingrich, but not our daily bombardment of paid media messages. As the ads were shaping voters' attitudes, recasting the nation's views of Clinton, and reshaping its understanding of the budget fight, few newspapers ran articles, much less front-page articles, on the ads. Television—the very medium we were using—rarely mentioned the ads.

As election day approached, the free media began to cover the Clinton- and Dole-campaign ads with greater intensity. But by then, the early advertising had so locked the campaign into its basic pattern that the advertising—and the reports on it—had little impact. A given ad

Why did Clinton win so easily in 1996? Why did his lead hardly vary? What was his strength with the voters that Dole could never shake?

In my opinion, the key to Clinton's victory was his early television advertising. There has never been anything even remotely like it in the history of presidential elections. In 1992, Clinton and Bush each spent about forty million dollars on TV advertising during the primary and general elections. In 1996, the Clinton campaign and, at the president's behest, the DNC spent upwards of eighty-five million dollars on ads—more than twice as much!

Very little reaches the outer fringes of the electorate unless it is advertised on television. From the moment I signed on with Clinton in 1994, I fought hard to persuade everyone that we would not win unless we started unconventionally early to fill the airwaves with our legislative priorities and issues. I hammered at this notion in every strategy meeting, always hearing derision from Ickes, who maintained that by the time the election came around in 1996, nobody would remember

would produce a blip up or a blip down in the polls, but none realigned what had been set in place by our earlier ads. Thus, our best political reporters in print and television missed the top political story of 1995-96.

Each week, our polls showed huge differences between voters' attitudes in the swing states in which we were advertising and the solid Democratic or Republican states that we avoided. Typically, if our polls showed Clinton leading Dole nationally by seventeen points, the average lead in our 1996 polls, states where our ads had run showed a twenty-seven-point Clinton lead and states where no ads had run showed only a seven-point lead. Before we ran our ads, the difference between these two groups of states was only three points. As election day approached, the belief in a Clinton victory penetrated even those states where we had not advertised much, narrowing the gap between the states where we advertised and the rest. But in the early going, it was our ads more than anything else that created and held our lead.

I had always been interested in landmark changes in political communication. When FDR brought the president's voice home through his fireside chats, the effect was enormous. Eisenhower's use of national television helped bring about his landslide reelection. Kennedy's live press conferences and Johnson's use of negative political advertising were landmark changes in effective political communication.

In Arkansas, Clinton and I had pioneered a new kind of paid media advertising. Rather than advertising only in the weeks before an election and sending out messages only about the candidate, we advertised throughout the governor's tenure, not to promote his reelection but to publicize his views on important legislative issues. As a result, voters who might dislike Clinton found that they agreed with him on the issues and after a while became his increasingly enthusiastic supporters. The ads tended to make the elections anticlimactic.

The key was to advertise on legislative issues only, not to promote Clinton's candidacy. By focusing on these issues, Clinton could pass his program and build a vast base of support. I wanted to use such advertising to advance the president's legislative program at the expense of the Republicans, hoping to build national support as we had built local support in Arkansas.

No president had ever before used television advertising during legislative battles as lobbying groups have done for years on behalf of campaigns to confirm Judge Robert Bork, promote health-insurance reform, tort reform, and so on. But for the '96 election, unless we used TV to reach beyond the voters who normally follow legislative debates and

congressional or budgetary issues, we would not make our case with the American people.

Everybody except the president and the vice president opposed early advertising but President Clinton knew what these legislative advocacy ads had done in Arkansas. His campaign for teacher testing worked its way through the Arkansas electorate via paid ads that appeared at times well before the election season. He'd watched these issues ads affect the legislature's deliberations as they strengthened the bond between himself and the electorate.

I wanted to do what we had done in Arkansas: hammer home the differences between the Democratic and the Republican legislative and budget proposals. I knew that once voters learned the specifics about the massive cuts in the Republican budget and saw that Clinton wanted to balance the budget too, but sensibly, they would reject the Republican plan. In this way we would win the political center. Having established a position of strength based on our legislative victories, we could deal later with the specifics of winning the election.

I met with campaign attorney Lynn Utrecht and Democratic National Committee lawyer Joe Sandler and explained the kind of ads I had in mind. Fortunately, they said the law permitted unlimited expenditures by a political party for such "issue-advocacy" ads. By the end of the race, we had spent almost thirty-five million dollars on issue-advocacy ads (in addition to about fifty million dollars on conventional candidate-oriented media), burying the Republican proposals and building a national consensus in support of the president on key issues.

To create and place the ads, I needed an advertising firm. I chose Bob Squier's agency, Squier, Knapp, Ochs. Sandy-haired, trim, and short, Squier is like a college senior at a party school. Despite his long history in political advertising—he had done Hubert Humphrey's ads—he retains an infectious boyish enthusiasm. He was close to the vice president, who was pleased by his appointment.

It was Squier's partner, Bill Knapp, who deserves the bulk of the credit for the ads we ran for Clinton. Knapp's creativity and managerial skills allowed us to run one of the most effective political-advertising campaigns in history. Knapp ran the paid media campaign, keeping all of its pieces together during the often chaotic and rushed pre-election months.

I also brought in Hank Sheinkopf of the New York firm of Austin-Sheinkopf and Marius Penczner from Memphis to help with the ads. Hank, an intense Russian Jew with wild hair and wilder ideas—and a for-

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mer New York City cop—helped bring a raw, cutting emotional power to the advertising. Penczner, a mild, restrained, polite southerner, came from the world of country-music MTV, where he had produced videos for the Allman Brothers, Garth Brooks, and many others. Penczner brought us ideas that were well outside the mainstream of political advertising.

In Arkansas, Clinton and I had written most of his ads, and I had supervised the production of the spots, working closely with David Watkins of Little Rock. Now the president was not enthusiastic about Squier's firm. Clinton said he liked Squier, but was not especially impressed by his work. The First Lady was downright opposed to hiring him and echoed objections brought to her attention by Susan Thomases, who felt that Squier would take public credit for every successful move in the campaign and disappear from view if things turned bad.

I could not resolve the Squier situation through Erskine Bowles and confronted the president directly in a rare daytime Oval Office meeting. Clinton said he was grateful to the media creator Frank Greer, who had helped him in 1992. "Frank got screwed because he wouldn't talk to the press, so he let the other people who did my advertising in 1992 leak on him and knock him. Frank never answered in kind, and I feel I owe him." He wanted Greer to buy the media time, a function Squier was supposed to handle. I told him I would work only with Squier.

I was determined to avoid the chaos that had dominated the Clinton advertising effort in 1992, where media creators fought one another and every decision was a struggle. I wanted total control or none. I wouldn't take a middle position.

Clinton likes to divide his advisers so that he can understand which issues are truly important by watching the splits and cracks when they clash. These "seams" let him step in and take control, something he could not do in a homogeneous operation.

Greer is an ideological liberal, closely allied with Ickes. I did not want to see even part of the paid-media operation fall under Ickes's influence. I pointed out that we had decided to fire Greer in the 1990 Arkansas gubernatorial race because he wasn't following our guidance and gave us ads that we didn't want. "Let's not have to fire somebody twice," I said.

"But he did a great job buying media for me in '92; he got it very cheaply, cheaper than you guys can."

I was inflexible. "Either you let me have my team intact, as is, or you build your own without me. We can't have the factionalism of 1992. Media must be consistent, and it can't be with a patchwork team."

The president answered patiently: "Obviously, I have total faith in you. I've put myself and the whole campaign in your hands. Schoen? He seems OK, kind of a hard-nosed guy who pushes his ideas. Penn? Some interesting insights, some new ideas. I don't see what Squier does that's so different."

"The first part of your sentence is all you need," I replied. "If you have faith in me, give me the tools, and let me do the job. Hold me accountable; don't second-guess the way I get it done."

Then came the president's real objection: "If you control each aspect of the media and the polling, how can I control the process? How can I get different options and choices? How do I keep control?"

Control. The key word.

I answered, "You'll keep control, total control, the same way you have for seventeen years with me. You know I'll give you all the polling data, just as I've always done. You're better at reading polls than any pollster I know. I'll work with you the way I always have. I'll clear everything with you constantly. I'll talk with you when we develop the questionnaires for the polls, when we get the results back, when we script the ads, when we test them, and before we run them. You'll be right there every minute. You don't have to create a conflict between members of my team to have input; I'll bring it all to you all the time so you can have the control without the controversy."

The president agreed to use Squier, Knapp, Ochs temporarily. But the most permanent things in life are those we call temporary. This "temporary" arrangement continued until after the Democratic National Convention a year and three months later! By this time, Squier, Knapp, Sheinkopf, and Penczner had long since quieted the doubters with their mastery of television advertising. And the doubts about Squier that Susan Thomases had raised turned out to be groundless: Squier kept unusually quiet about his pivotal role in the race and was solidly available whenever the campaign needed him.

Despite their effective work, the president continued to gripe about Squier. During one period of intense fee negotiations between the consultants and Ickes, I raised the financial issues in question with the president during an Oval Office meeting.

"I don't mind paying you any amount of money you want," he said. By then, Clinton had assumed a commanding lead over Dole, something almost unthinkable at the start '95. "Nothing is too much to pay for a miracle. But why are you letting Squier make all that money?"

I explained that without Squier and Knapp, the media effort would never have been so effective and I wanted to be sure they were well compensated.

As a result of this and other Oval Office discussions, the president became the day-to-day operational director of our TV-ad campaign. He worked over every script, watched each ad, ordered changes in every visual presentation, and decided which ads would run when and where. He was as involved as any of his media consultants were. The ads became not the slick creations of admen but the work of the president himself. In that sense, they were much like the thirty-second speeches he had written to convey his views to the American people.

"Why don't you tell them that I cut taxes through EITC?" he would typically ask.

"Nobody knows what EITC [the earned-income tax credit] is," I would answer.

"You should say that it's a tax cut for fifteen million working families; that's really what it is."

Every line of every ad came under his informed, critical, and often meddlesome gaze. Every ad was *his* ad.

Our first ads were about the president's refusal to cave in to congressional Republicans and repeal the ban on assault rifles. These featured one police officer describing how his partner had been gunned down by an assault weapon, and another police officer talking about how he had been shot by one during a routine traffic stop. These ads, which Hank Sheinkopf—the former cop—largely created, sent a powerful message.

The effect was electrifying. Our approval ratings and voter share zoomed where we advertised. Still, Ickes discounted the results, arguing that we would lose these gains by election day. The ads would be forgotten.

"Not if we stay on the air," I predicted and pressed for more advertising money. In fact, as a result of these ads of early July '95, our ratings on "fighting crime" came to equal those of the Republicans, nullifying their historic advantage on this issue, and the ratings persisted throughout the pre-election period. Far from being forgotten, our early ads helped produce a massive base of voter support for our positions on the key issues before Congress.

In late August 1995, we began hitting Republican budget cuts in our ads and promoting the president's balanced-budget plan. These ads and their successors remained on the air, with only brief interruptions, until the Democratic Convention, after which our regular political ads picked

up the slack. We created the first fully advertised presidency in U.S. history, which led to an extensive record of legislative accomplishment.

Penn and Schoen polled heavily to determine voters' views of the Republicans' proposed budget cuts. Drawing on this research, we identified which reductions mattered most. Broadly, cuts in Medicare, Medicaid, education, and environmental protection most upset the voters. Raising Medicare premiums and letting doctors bill patients for more than what Medicare would allow caused the greatest concern. The elimination of the Medicaid guarantee of free medical care to children under thirteen was very damaging to the Republicans, as were their proposed cuts in nursing-home standards and their proposed elimination of a guarantee of nursing-home beds to anyone eligible. Among the education cuts that troubled voters most were the reductions in college scholarships, the cuts in the president's expansion of Head Start, reductions in Title I aid, which would result in larger classes, and above all, the reduction of anti-drug-use programs in schools. Voters also dis-trusted cuts in funding for toxic-waste cleanup.

Our ads helped explain the Republican budget cuts. More important, they elaborated the president's balanced-budget proposal as an alternative. It would have been easy to publicize our opposition to the Republican cuts without doing any advertising. The press always comes to a fight, and a battle over cuts always makes the headlines. But our ads showed that Clinton had an alternative, a better way of balancing the budget and cutting taxes. The ads worked well because they challenged the Republicans' monopoly on balancing the budget. Now the fight was not whether to balance but how to balance.

Were our ads distorted? The Republicans charged that we were dishonest in calling cuts what were actually reductions in the rate of increased spending. But it was Republicans who first used the word in this sense to describe Clinton's failure to increase the defense budget in keeping with inflation. In defense budgeting, this use of the word *cut* is probably justified. In entitlement spending, for programs like Medicare and Medicaid, it is even more appropriate. If the cost of medical services and the number of patients in need of care increase at a certain rate while funding grows more slowly, it is obvious that fewer patients will be treated and the treatment each patient will receive will decline.

Any thirty-second ad on the budget is an oversimplification of complex questions. But we were quite meticulous in our choice of words. For example, White House staffer Gene Sperling once refused to let us characterize the Dole tax-cut proposal of 1996 as likely to "slow eco-

nomic growth" since the consensus among economists was that it would speed it in the short term but slow it in the long term. Gene insisted on adding *in the long term* if we made this accusation.

Each ad we produced for almost a year hammered at these Republican cuts. While content and nuance varied they were substantially alike in hammering at these reductions and the distorted values that impelled them. And each ad explained President Clinton's proposals to balance the budget without these cuts. Say what you will about them, these ads, more than any other single factor, kept the Republicans from cutting Medicare, Medicaid, education, and environmental protection as they proposed.

Our ads were factual, emotional, and highly effective. We formulated each ad according to our polling. Mark Penn and Doug Schoen and I prepared the poll questionnaires. At first, we cleared each question's wording with the president, but soon he let us proceed on our own. The poll measured public reaction to each element of the president's legislative program and to that of the Republicans. After Penn, Schoen, and I explained where the public agreed with us on the issues, our media consultants wrote the ads. Two to three times a week, Bob Squier, Bill Knapp, Squier's associate Betsy Steinberg, Hank Sheinkopf, Marius Penczner, Bill Curry, Tom Freedman, and Democratic National Committee attorney Joe Sandler met with Mark Penn, Doug Schoen, and me to formulate copy. On the phone, we'd keep in close touch with White House staffers Rahm Emanuel and Gene Sperling to be sure our wording was accurate. I'd often run the wording by George Stephanopoulos. Author Naomi Wolf was sometimes with us. I myself met with Naomi every few weeks for nearly a year to get her advice on how to target women voters. She also gave me remarkably prescient analyses of the social-cultural trends in the country.

We prepared several different rough versions of the ads, called analytics, which Mark Penn would arrange to test at fifteen shopping malls around the nation. After the Republicans began to attack us in their own ads, Penn tested the opposition ad and our reply at the same time to measure their relative impact. Penn's staffers would set themselves up in a mall and invite shoppers one by one to fill out a short questionnaire about Clinton, Dole, and their own political views. Then they would show the voters the ad we wanted to test. Afterward the shopper would fill in the same questionnaire and Penn would measure any changes in opinion.

When I originally urged the president to hire the polling firm of Penn and Schoen, I planned to use only my old friend Doug Schoen. But I soon came to appreciate the skills of his partner, Mark Penn. Perpetually disheveled, even sloppy in appearance, largely devoid of personality, tact, or charm, he is all brain and became an increasingly important part of our consulting operation.

Based on the mall tests, we decided which ad to run and whether to combine it with elements from ads that did not do as well. We worked for hours to make the ad fit thirty seconds. Then we'd send the script to Doug Sosnik, the White House political director, who gave it to the president for his OK.

Particularly at the beginning of our ad campaign, we would then go to the Oval Office for a ten-minute meeting with the president and vice-president to win their approval. Nancy Hemeireich watched closely to see that we left after the ten minutes were up. The president always suggested changes. Knapp, Penczner, Sheinkopf, and Steinberg then worked all day to produce the ad, always including some last-minute touch that made the ad work even better. To highlight Gingrich's cuts in education, for example, they were particularly good at finding film clips of him waving his hand no, as if rejecting dessert at a restaurant. Gore especially liked Knapp and Squier's ability to find footage of Dole creeping around behind Gingrich at a press conference. He compared it to a scene from *Jurassic Park* where a particularly mobile, kangaroo-like dinosaur, the Velociraptor, would maneuver for position in a hunt. I'd worked in almost a hundred high-level political races, but never before had I worked with so many good consultants, and the thrill of it is hard to describe. I felt like a violinist suddenly surrounded by a great orchestra or a baseball player in an all-star lineup. Clinton gave us a virtually unlimited budget for polling and mall testing. We spent months in war games figuring out how to handle different budget-fight scenarios or different Republican attacks on issues. When the hypothetical became a reality, we had only to push a button on the computer, and the mall test and the poll for exactly that situation would pop up. As we sat one afternoon bouncing advertising copy back and forth among the laps of Squier, Knapp, Sheinkopf, and me, analyzing the results of test ads, anticipating Dole's next move, I paraphrased a quote de Gaulle had used to describe the moment when the Germans were finally driven out of France—he said that he wanted to capture that moment and keep it suspended in time, never to change. I looked around me at our group,

each outplaying his or her usual game, way above it, and wanted to be with them forever, in the middle of a campaign, writing ads. The élan of our group was palpable.

Clinton's skilled projection of his message via TV commercials is no less notable than Reagan's artful television image, FDR's radio personality, Woodrow Wilson's high-minded rhetorical style, or Lincoln's logical presentations in his open letters. Politics means making things happen, not just hoping for them. Clinton's effectiveness in using political spot advertising to promote his positions is one of his great strengths, and for that he deserves to be ranked as one of the great presidential communicators.

The president's media were based on issues, not on feel-good positives or character-assassination negatives. Clinton felt that the era of the negative ad was ending. He preferred to let the other side attack and then use his media to rebut and counterpunch.

In the late '70s and early '80s, Clinton and I explored the new area of negative advertising. These were ads that capitalized on voters' distrust of politics and used single-issue differences to bring down opponents. Our negative ads on utility rates were crucial in Clinton's 1982 comeback defeat of Governor Frank White, and so were the negative ads we helped prepare for David Pryor's 1978 defeat of Jim Guy Tucker.

Now, however, we believed that voters were suspicious of negative ads. They had been exposed to so many that they were jaded by them. From then on Clinton deeply believed in the rebuttal ad.

"Remember how we did it in Arkansas?" he asked me at a strategy meeting while the others looked on curiously. "We'd give the facts to rebut the negative ad first, always the facts up front, and then we'd counterpunch with our own negatives."

Clinton always loved the actual process of writing and designing ads. As involved as he was in the '95 and '96 ad campaigns, he missed actually sitting at the table, the way he had in Arkansas, and participating in the process. Once, as he wistfully contemplated the start of the actual campaign, he said, "I'll miss writing all those rebuttal ads. You'll have all the fun."

As the fall approached, it became more and more evident that everything depended on how well we could tell our story in the fight against the Republicans' proposed budget cuts.

"You never got your position across to the public in the '93 budget fight," I told the president in a private late-night session in early August.

"Your tax increase was almost exclusively on upper incomes, but the public believes that you increased taxes on everybody. You never got your point out in the health-care debate either. Your plan called for plenty of freedom to choose your own doctor, but the ads by the insurance companies gave the opposite impression and they beat you. Now, for once, it is absolutely crucial that you get your views on this budget fight out unfiltered, precisely, and repetitively through ads."

"We'll have the ads," he assured me wearily. But it was a long way from this almost whispered commitment to go ahead and find the money to run the ads. The decision had to be made in September.

I pressed the issue vigorously at a strategy meeting on September 7, 1995, in the Treaty Room. I believed then, and still do, that the entire fate of Clinton's presidency hinged on this key decision. Unless we could beat the Republican budget with our own and make America understand that we wanted to eliminate the deficit as much as Gingrich did, but in the right way, we would never win the '95 budget fight or the '96 election. "We will decide the outcome of the election right here and right now," I declared. "If we win now, we'll win later. If we lose now, we'll be dead no matter what we do."

In retrospect, the decision to advertise early and continually was, in fact, one of four keys to victory in '96. The first key was Clinton's decision to compete for the center by giving the balanced-budget speech in June '95, a decision that made winning possible. The second was the decision to advertise, which took us into 1996 with a lead over Dole. The third key was the State of the Union Address in 1996, which, coupled with our decisions on advertising, gave us a large and permanent lead. Finally, the president's decision to sign the welfare-reform bill in '96 eliminated the last real possibility of losing his lead.

In our September 1995 strategy meetings, I had to wage a giant battle with Ickes to convince the president to allow further advertising. The DNC had no cash on hand for such spending and eventually had to borrow much of the money.

Penn. Schoen, and I argued that advertising was vital to defeat the Republicans in the budget battle. "We will make the Republican proposals so unpopular and so unnecessary to balancing the budget that they will have to cave in long before the budget ever reaches your desk." I glibly predicted that by November the Republican unity would be shattered and the Republicans would be "split into hunter-gatherer groups" to be picked off one at a time.

In that prediction, I would turn out to be wrong. It wasn't until the spring of '96—a year later—that the hunter-gatherer groups formed, and it was every Republican for himself. Until then, the Republicans were determined to stick together, a determination that I badly underestimated. But I was right in predicting that their proposed budget would be the object of derision across the nation. I simply underestimated the capacity of the Republican party to stick to an unpopular position as it became more and more disliked by the public. I underestimated the capacity of Gingrich and Dole for political suicide.

Panetta and Stephanopoulos, normally Ickes's allies, intervened on my side to tilt the consensus toward going ahead with the advertising, but Erskine Bowles properly insisted that we project how much we wanted to spend through the end of the year rather than budget one week at a time. "What we had been doing," he complained, was "no way to run a business."

We agreed on a ten-million-dollar budget for the balance of 1995.

No president had ever advertised even remotely this far in advance of an election and none had used issue-advocacy ads, intended not to urge his reelection, but focus on the budget issues before Congress. Ten million dollars was about equal to what most presidents or candidates for the presidency spent on media ads for the entire primary season, from Iowa through the convention—yet here we were spending it on issue ads more than a year before the election year even began. I am sure I irritated everyone by repeating that if we spent money on ads, our polling numbers on the issues would rise, and those better numbers would generate more money. The president had seen this exact thing happen in our Arkansas days, but the numbers now showed one zero more than he was used to seeing.

Clinton complained bitterly at having to raise this much money. "You don't know, you don't have any remote idea," he said to me, "how hard I have to work, how hard Hillary has to work, how hard Al has to work to raise this much money." He didn't mean phone time. He rarely, if ever, had to pick up the telephone, as president, and ask for a campaign donation. But he did mean work. To raise a million dollars, he usually had to attend a massive fund-raiser, most often outside Washington, and shake hands with hundreds and hundreds of people.

Eileen and I went to a few of these events—paying our own way—and watched the trial by handshake as it grimly unfolded. We usually waited at the end of the receiving line since we were not eager to displace the customers. We stood—as Clinton had to—for hours while he shook each

hand and posed, smiling, for each photo, chatting happily with each donor. Our feet ached. We shifted in place, leaned against the wall, looked at an empty chair as a thirst-crazed desert traveler would eye an oasis well. And still we stood. The line never seemed to ease up, much less end. The president went through this agony night after night after night. I began to see what those ads were going to cost him.

Only once did he complain to me about the pace of the fund-raising he had to endure: "I can't think. I can't act. I can't do anything but go to fund-raisers and shake hands. You want me to issue executive orders; I can't focus on a thing but the next fund-raiser. Hillary can't, Al can't—we're all getting sick and crazy because of it."

But the ads worked as voters began to reject the Republican budget. Slowly, week after week, we climbed in the polls and the Republicans dropped. The president's job-approval rating, in our polling, rose from 54 percent in August to 55 percent in September to 56 percent in October. Virtually all the gain took place where we advertised.

The ads were devastating. One, inspired by Marius Penczner, featured an EKG machine monitoring a patient's heartbeat as the announcer describes the premium increases and benefit cuts the Republicans planned for Medicare. Finally, the comforting beeps stop and we hear the terrifying, continuous monotone and see the flat line on the screen that means Medicare has died.

A second ad, inspired by Bob Squier's innocent joy at the birth of his first grandchild, Emma, shows Emma in her crib, playing with her toys beneath a mobile, while the announcer decries the Republican-proposed education cuts.

As the ads ran their course, voters came to prefer our budget plan to the Republican version by more than two to one and trusted Clinton to balance the budget "in a way that is fair to all" over the Republicans by twelve to fifteen points. We had invaded the heart of Republican territory, the very core—the advocacy of a balanced budget—and we were showing that we could do it better than they could.

The elderly became a solid phalanx of support for Clinton's budget proposals. Women over age sixty-five, in particular, were outraged at the Medicare cuts. One poll found that they backed Clinton by almost as much as such traditional Democratic constituencies as African Americans and Hispanics.

And yet the press continued to ignore our ads even though they were reshaping American politics. When stories did run, they were buried inside the paper. We got in under their radar by purchasing television time

directly from local affiliates, rather than from the networks. The network news shows knew what we were doing but didn't grasp its meaning until long after the ads had run.

Through the ads, the country knew what the fight was about from our point of view, and wanted Clinton to stand firm. "For once, we've laid the groundwork for this free media spectacle with our paid media," I reassured Clinton as the government shutdown approached. "The country understands this fight and wants you to do just what you're doing."

What made the ads work? Was it just that we had money enough to run them a lot? Can anybody with enough money win an election? No. The graveyards are full of rich men and women who tried to buy their way into office and failed totally: Michael Huffington in California, Clayton Williams in Texas, Andy Stein in New York, Mitt Romney in Massachusetts, and for that matter, Ross Perot in the 1992 national race are all examples. The key is to advertise your positions only if the public agrees with them. If the public won't buy your basic premise, it doesn't matter how much you spend or how well your ads are produced; they won't work. Clinton's ads worked because his moderate budget plan made sense to the American people as a way to achieve a balanced budget without cutting popular programs. The Republican plan for massive spending cuts and huge tax reductions seemed wrong to voters.

From the beginning of our ad offensive, we all worried that the Republicans would retaliate. "Don't pick on somebody who has two or three times the money we have," Erskine Bowles warned in September when we were deciding whether to go with wall-to-wall media.

But incredibly, the Republicans didn't go on the air. Each week we monitored the TV stations. Once in a while, they would try to get press attention by running an ad on cable or by purchasing ad time in the Washington, D.C., media area and pretending that it was part of a national advertising buy. But they didn't go national.

At first, Clinton would ask me four times a week, "Are they on?" Each time I would say, "No sir, thank God."

"They didn't go on. They had plenty of money. Why did they wait?"

As the weeks became months and then almost a year had passed and still our ads were running and they were "dark," I formulated all kinds of theories, sitting late at night with Clinton. He and I loved to speculate about what was going on. I suggested that maybe Dole and Texas senator Phil Gramm, Dole's major opponent at the time for the nomination, couldn't agree on a text and Republican National Committee chairman Haley Barbour wasn't willing to proceed on his own. I guessed that Bar-

bour didn't want to compete with the fund-raising efforts of the various candidates for the Republican presidential nomination.

The Republicans had been burned by advertising too early in senatorial and gubernatorial races in the past, and Republican strategists were dead set against early ads in these statewide contests. They liked to hold their fire until closer to election day. But these strategists failed to understand that if the advertising concerned a current, ongoing fight—such as the one over the budget—voters would pay attention and the ads would be long remembered. Voters always remember what a president does in a major controversy.

In any event, once we were advertising heavily, no rational strategist should have failed to oppose our ads, especially ones so aggressively pointed at Dole's and Gingrich's issue positions. I kept telling myself, "They have to answer." But they never did. I made a point of never telling Trent Lott how mystified I was that they weren't on the air, but the thought hung over our meetings like the great unasked question it was. I was stumped.

Perhaps the Republicans could not believe that we intended to stay on the air for the entire year and a half. Perhaps they were waiting for us to stop, confident that our ads would then fade from memory without rebuttal. Had Ickes had his way, this would have been the case. But Clinton advertised through all of July, half of August, all of September, October, and November, and the first half of December in 1995. In 1996 we started in early January, and remained on the air with either issue-advocacy or regular ads through election day.

I believe that had the Republicans advertised early in the budget fight—in 1995—outspending us two or three to one, as they could have, they would have won the budget fight (either by forcing us to sign their budget or by getting enough conservative Democrats to override the president's veto). And I believe that they would have won the presidential election of 1996. Whoever killed their plans to advertise (or failed to draw them up) deserves the blame for their defeat.

By the end of 1995, the Clinton and DNC ads had run unopposed by any Republican paid media for most of six months. The effect was devastating. In swing states like Michigan and Wisconsin, where our ads had run, Clinton's lead over Dole was actually larger than in core Democratic states, like Rhode Island and New York. On the issues, the Republicans had let us convert their majority to our side.

I was a lot less worried about the Republicans than I was about people like Ickes, who were supposedly on my side. It became a challenge to master the art of infighting, a skill I knew little about before I came to Washington. Generally, in my senatorial and gubernatorial races, I had worked directly with the candidate and didn't pay attention to the staff one way or another.

Now, however, I developed my own style of infighting: control through inclusion. I was secure in my position with the president and felt I would succeed better by using the carrot than the stick in dealing with the staffers. I took George Stephanopoulos into my confidence as well as other staff members who had opposed me in 1995. "You fought me clean and fair," I told Rahm Emanuel, "and I would love for you to work with me. I have no grudges, and I came to admire you as you opposed me, so I'd like to work with you." Emanuel, a short, thin former professional ballet dancer, had been a key Clinton fund-raiser in 1992. Now he ran crime, drugs, and immigration issues for the White House. He was one of the only sources of new ideas on the White House staff. He helped develop Clinton's tough anti-crime posture, stealing from the GOP a former monopoly on the issue.

Members of my consulting team asked why I was so generous with staff who had opposed us. Why did I insist we welcome them onto our team, making sure they had power and a role? "If we show that we're open and anxious to sign up all good people to our team, we'll get a lot less opposition."

The most interesting problem was handling the egos of the fellow consultants I had recruited. Each knew that he depended on me for his continued role in the race, but the line blurred as they became closer to the president and the president began to value their work as individuals, not just as associates of mine.

I had problems, in particular, with Mark Penn. Penn provided more original input than any other member of our team and played a central role in developing many of our core concepts. He is brilliant but his new status as an adviser to the president had gone to his head. Lured by the Washington power scene to move full time to the capital, he installed himself in a walk-in closet in Doug Sosnik's office. Sosnik, the White House political director, had become increasingly valuable to me as a way around Harold Ickes. Technically Ickes's deputy, Sosnik was competent and reasonable and helped me get approvals without my having to confront Ickes directly.

I suspected that Sosnik and Penn were getting too cozy and would form a coalition of technocrats who would position themselves between Harold and me; perhaps they thought that while Ickes and I fought, they would run the ship. I had no intention of letting Mark Penn operate independently. The president had hired me, and I was ultimately responsible for our success or failure. I became more suspicious when it became clear that Penn was going to White House meetings to which I had not been invited, as White House staff members tried to seduce Penn away from our team.

The situation with Penn worried each of the consultants on our team for political reasons as well. I spoke to the president about it and warned him of the danger of having a consultant with an office in the White House. I told the president about some of Penn's other projects, and said that critics might see a potential conflict of interest. I cited, specifically, his work as a consultant for AT&T while delicate negotiations on the telecommunications bill were going on. I also cited his work in foreign elections as a potential conflict. "It's OK for him to poll for us," I said, "but he shouldn't have a White House office."

The president, who was distressed at these possible conflicts, agreed and asked me to take care of it.

So I approached Penn and told him that he had to move out of his White House office and end his dealings with Sosnik and the rest of the staff. In return, I told him I would keep him close by my side and would bring him in on all my meetings and phone calls. I felt that this way I would elicit the best performance from him, while controlling his potential end runs around me. This solution worked well; Penn got more involved and more powerful as we worked more closely together.

While I waged my internal wars, the specter of General Colin Powell's presidential candidacy cost Bill Clinton sleep and, when he did sleep, doubtless haunted his dreams throughout October and early November of 1995. The president did not believe he could beat Powell.

"He'll take away blacks, he'll separate himself from the congressional Republicans, he'll run a great campaign, and he'll beat me bad," he predicted in late October as Powell-mania descended on America, with Powell's book, *My American Journey*, making him a national celebrity.

In June 1992, as Clinton prepared for his first run for the presidency, he conferred with me at some length on the selection of a vice president. I had urged that he choose Gore, arguing that he needed a vice president

very much like himself. In eschewing the traditional notion of balancing the ticket with a vice president who is different, I said that Clinton had not fully explained to the voters who he, Bill Clinton, really was. Gore's similarity would make it easier for Clinton to tell voters more about himself.

In the course of these discussions, Powell's name had also come up. I said he would make an interesting choice.

Clinton said, "I know: I'd like him, but he won't do it."

I didn't probe and don't know whether Clinton actually offered the job to Powell or whether he just assumed that Powell would not run on Clinton's ticket because of his expressed desire to stay on active duty.

Now Clinton's fearful respect for Powell had not lessened. The president was upset about the adulatory attention Powell got. "They're giving him such a free ride; it's ridiculous. He comes on TV like a saint, and those white liberal guilty reporters are so awestruck that they won't ask him a damn question," he complained to me over the phone.

"He was against what we did in Bosnia," he said. "Powell would never have bombed Bosnia and stopped that war. He'd never send ground troops to keep the peace. But do they ask him that? Do they pin him down? No. No, they're too protective of their own creation. Powell is their candidate, the candidate of America's media establishment, so how do I beat him?"

Faced with a problem he didn't know how to solve, he would as usual complain until somebody showed him a way to get around it. He complained at every meeting, in every phone call, in every chat, endlessly and loudly.

I huddled with Penn and Schoen, who fielded a series of polls to see how to handle Powell. In an early-November strategy meeting, we reported that Powell, as a Republican, could indeed at that point beat the president. But he couldn't get the Republican nomination. And he couldn't beat the president if he ran as an independent. Checkmate.

The data were clear: Dole held a narrow lead over Powell in the Republican primary against a wide field of Republican candidates, but when the other candidates dropped out, leaving just Dole and Powell, the senator beat the general by more than two to one: deadly math for a Powell candidacy. Virtually any voters who supported either Gramm, Buchanan, Forbes, or Alexander in the primary preferred Dole to Powell.

The general's support of affirmative action, certain gun controls, and most of all, his pro-choice position, made him anathema in primaries where the religious right held sway. As Powell raced around the coun-

try speaking and signing books, I knew that he couldn't run and wouldn't try. The numbers weren't there. It remains to be seen whether the Republican primary voters will feel any more generous toward Powell in 2000, when he may face Jack Kemp.

When we got back the data suggesting that Powell couldn't get the Republican nomination, I saw the last major obstacle to Clinton's reelection removed. In our strategy meeting of early November I declared that the "election is now over." Across the rectangular coffee table, I said to the president, "Congratulations, you won." This prediction, delivered twelve months before the polls opened on election day, met with astonished silence, then derisive laughter from the twelve others in the room. But the president remained silent. He looked up at me over his reading glasses. Then, having silently calculated that I was probably right, he resumed reading his agenda book without saying a word. The outcome of the election, if not our actual margin of victory, was established that day and was never seriously in doubt afterward.

-- [NOVEMBER 5 GROUP INC/DC]

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D&B PUBLIC RECORD SEARCH

DATE PRINTED: FEB 11, 1997
STATE: DISTRICT OF COLUMBIA

NAME ON FILING: NOVEMBER 5 GROUP INC

*** SEARCH CRITERIA SUMMARY ***

NAME: NOVEMBER 5 GROUP
STATE(S): DC
FILING TYPES: ALL

REFINED SEARCH: NO

*** CORPORATE AND BUSINESS REGISTRATIONS ***

REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF 11/06/1996

NAME: NOVEMBER 5 GROUP, INC.

FILING DATE: 02/05/1996

CORPORATION TYPE: PROFIT

DATE INCORPORATED: 02/05/1996

BUSINESS TYPE: CORPORATION

STATE OF INCORP: DISTRICT OF COLUMBIA

REGISTRATION ID #: 960339

STATUS: ACTIVE

WHERE FILED: TAX PROCESSING DIVISON, WASHINGTON, DC

REGISTERED AGENT: ANTHONY W. PARKER, 4081 POTOMAC AVE., N.W., WASHINGTON, DC
20007

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the official record. Certified copies can only be obtained from the official
source.

*** PUBLIC RECORDS DISPLAY COMPLETE ***

ATTACHMENT

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CERTIFICATE


THIS IS TO CERTIFY that all applicable provisions of the DISTRICT
OF COLUMBIA BUSINESS CORPORATION ACT have been complied with and
accordingly, this CERTIFICATE of **INCORPORATION** is hereby
issued to

NOVEMBER 5 GROUP, INC.

as of **FEBRUARY 5TH, 1996**

Hampton Cross
Director

Katherine A. Williams
Acting Administrator
Business Regulation Administration


Robert D. Henry
Act. Asst. Superintendent of Corporations
Corporations Division

Marion Barry, Jr.
Mayor

FILED
FEB - 5 1996

BY: _____

ARTICLES OF INCORPORATION
of
NOVEMBER 5 GROUP, INC.

TO: The Department of Consumer and Regulatory Affairs,
Washington, D.C.

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under Title 29, Chapter 3 of the Code of Laws of the District of Columbia, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is NOVEMBER 5 GROUP, INC.

SECOND: The period of its duration is perpetual.

THIRD: The corporation is formed for the following purposes:

1. To engage in the media consulting business.
2. To have and exercise all the powers conferred by the laws of the District of Columbia on for profit corporations formed under the District of Columbia Corporation Act.

FOURTH: The aggregate number of shares which the corporation is authorized to issue is One Thousand (1,000), all common stock \$1.00 par value of \$1.00 *at a* *JP*

FIFTH: The preferences, qualifications, limitations, restrictions and special or relative rights in respect to the shares of each class are none.

SIXTH: The corporation will not commence business until at least One Thousand (\$1,000.00) Dollars has been received by it as consideration for the issuance of shares.

SEVENTH: The provisions limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation are none.

EIGHTH: The provisions for the regulation of the internal affairs of the corporation are as set forth in the by-laws.

NINTH: The address, including street and number, of the initial registered office of the corporation is 4881 Potomac Ave, NW, Washington, D.C. 20007, and the name of the initial registered agent at such address is Anthony W. Parker. The address, including street and number where it conducts its principal place of business is 511 Second Street, N. E., Washington, D.C. 20002. The Corporation may have Street additional offices as it sees fit.

TENTH: The number of directors constituting the initial board of directors is three, and the name and address, including street and number of the persons who are to serve as directors under the first annual meeting of stockholders or until their successors are elected and shall qualify are:

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of

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Anthony W. Parker
1901 North Fort Myer Drive
Suite 1105
Arlington, VA 22209

EPH
Business
Address

Mr. William Knapp
511 Second Street, N. E.
Washington, D.C. 20002

Mr. Robert Squier
511 Second Street, N. E.
Washington, D.C. 20002

ELEVENTH: The name and address, including street and number, of each incorporator is:

Mr. Anthony W. Parker
1901 North Fort Myer Drive
Suite 1105
Arlington, VA 22209

Mr. John Hartley
1901 North Fort Myer Drive
Suite 1105
Arlington, VA 22209

Ms. Analisa Eberwein
1901 North Fort Myer Drive
Suite 1105
Arlington, VA 22209

TWELFTH: From time to time any of the provisions of the Articles of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the District of Columbia at the time in force may be added or inserted in a manner and at the time prescribed by said laws and all rights at any time conferred upon the stockholders of the corporation by provisions of this Article.

February 25
Date January 1, 1996

Anthony W. Parker
Anthony W. Parker
John Hartley
John Hartley
Analisa Eberwein
Analisa Eberwein

TO: THE SUPERINTENDENT OF CORPORATIONS
BUSINESS REGULATION ADMINISTRATION
DEPT. OF CONSUMER & REGULATORY AFFAIRS
WASHINGTON, D.C.

(A) BY A DISTRICT OF COLUMBIA RESIDENT

PURSUANT TO THE DISTRICT OF COLUMBIA BUSINESS CORPORATION ACT AS
AMENDED (D.C. CODE, 1981 EDITION, TITLE 29, SECTION 29-310(2),

I, Anthony W. Parker
A BONAFIDE RESIDENT OF THE DISTRICT OF COLUMBIA HEREIN CONSENT
TO ACT AS REGISTERED AGENT FOR:

(NAME OF CORPORATION) November 5 Group, Inc.

SIGNATURE OF REGISTERED AGENT Anthony W. Parker

DATE: 2/5/96

(B) BY A LEGALLY AUTHORIZED CORPORATION

THE CORPORATION HEREIN NAMED AS:

AN AUTHORIZED CORPORATE REGISTERED AGENT IN THE DISTRICT OF
COLUMBIA, PER SIGNATURES OF ITS PRESIDENT/ VICE-PRESIDENT AND
SECRETARY/ASSISTANT SECRETARY, HEREIN CONSENTS TO ACT AS
REGISTERED AGENT FOR:

(NAME OF CORPORATION) _____

SIGNATURE: _____ OF ITS PRESIDENT
OR VICE-PRESIDENT
NAME: _____

ATTEST : _____ OF SECRETARY
OR ASSISTANT SECRETARY
NAME: _____

DATE : _____

20.04.398.112#

DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER
AND REGULATORY AFFAIRS

I hereby certify that this is a true and complete copy of the document filed in this office, the Corporations Division of the Business Regulation Administration, and that this document was admitted to record in File # _____

Date of Certification 2-26-1997
Act. Asst.
Superintendent of Corporations
By Desmond Jones

| boston.com |

The Boston Globe

| FEEDBACK | KEYWORD | SEARCH |

BREAKING NEWS	TODAY'S PAGE ONE STORIES	NATION/WORLD	METRO/REGION
EDITORIALS	BUSINESS	LIVING/ARTS	CALENDAR
SPORTS	DISCUSSIONS	COLUMNISTS	

Clinton camp paid top strategists \$15m: Big ad campaigns drove fund-raising

By Bob Hohler and Walter V. Robinson, Globe Staff,
02/23/97

WASHINGTON - A half-dozen pollsters and media consultants who charted the road to reelection for President Clinton pocketed an estimated \$15 million in fees in 1995 and 1996, according to interviews and Federal Election Commission records examined by The Boston Globe.

One firm, Squier Knapp Ochs Communications, which created most of the \$80 million-plus television advertising campaign for Clinton, appears to have earned fees of \$9 million or more, according to an analysis of the records and interviews with campaign officials who negotiated the fees.

One of the consultants, Dick Morris, who resigned when his liaisons with a prostitute became public last August, was listed in FEC records as receiving just \$231,000 for his work. But Morris was the mastermind behind the formation of a joint corporation that handled much of the campaign advertising and may have received an additional fee of \$1 million or more for that work, according to campaign officials.

As federal investigators focus on excesses in Democratic fund-raising, campaign finance specialists said the consultants were the driving force behind a lavishly funded media campaign that created pressures that in turn led to fund-raising excesses and the use of the White House and access to Clinton as an inducement for major contributors.

"This is why you saw such sloppy fund-raising practices. The admonition became: Get more and more money," said Anthony J. Corrado, a Colby College government professor who is considered the country's leading expert on campaign finance.

Because of that pressure, Corrado said, the party's fund-raisers were forced to search constantly for new donors, and to push traditional donors to give increasingly larger contributions. "The party was asking people who had given \$100,000 to give \$250,000, and to do that, you have to increase the privileges and perks for contributors, and that meant increasing their exposure to the White House and the president," Corrado said.

Ellen Miller, executive director of Public Campaign, an organization working to reform campaign finance laws, expressed alarm at what she described as "consultants making millions off a sleazy fund-raising operation." Miller said the consultants, who persuaded Clinton to mount a major early television ad campaign, stood to gain financially from that decision, since their fees are based upon the size of the ad campaign.

Against that backdrop, Clinton himself spent an inordinate amount of time raising money, including holding scores of

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White House coffee meetings with prospective contributors. Of those who attended, 358 donated \$27 million to the Democratic National Committee.

One DNC fund-raiser, John Huang, raised more than \$7 million. But the DNC has returned more than \$1 million of that, having determined that the funds came from foreign sources. Huang is at the center of a Justice Department and congressional investigation of the fund-raising irregularities.

Representative Dan Burton of Indiana, chairman of the House Government Reform and Oversight Committee, said Friday he was prepared to seek a contempt citation against Huang for refusing to turn over documents related to the investigation.

While the advertising campaign, which began in earnest in mid-1995, laid the cornerstone for Clinton's victory in November, the effort also produced a bonanza for his top strategists. It was the president's closest consultants "who walked away with the big marbles in this election," said Ron Faucheaux, editor of Campaigns & Elections magazine.

The half-dozen consultants who earned the huge fees were paid by the DNC from the \$123 million the party raised from wealthy and corporate contributors, many of whom gave six-figure contributions, and from the \$65 million in public funding the Clinton reelection campaign received from a fund generated by taxpayers when they earmark \$3 of their taxes for that purpose.

The brain trust, assembled by Morris, was made up of Robert D. Squier and his partner, William Knapp, and two pollsters, Mark Penn and Doug Schoen. Penn and Schoen were picked by Morris to replace Clinton's longtime pollster, Stanley Greenberg. The FEC records indicate Greenberg's firm, though it was supplanted, was still paid more than \$1.3 million by the DNC and the campaign.

According to incorporation records, Squier and Knapp formed a new company, November 5 Group Inc., just three weeks before the New Hampshire primary last year. The DNC and the Clinton campaign ultimately paid the company about \$55 million. The DNC, in a perfectly legal move designed to keep the national party's spending within certain limits, paid another \$27 million to the company through various state party organizations.

Of that \$82 million, the vast majority went to pay television stations to run the ads. The company, acting as an ad agency, would normally receive 15 percent of that amount for producing and placing the ads. But the campaign and the DNC negotiated a rate that sources said was about 9 percent - or about \$7.5 million in fees for the November 5 Group.

The sources said Squier's firm kept most of that money but also paid shares to pollsters Penn and Schoen and consultant Morris. Two New York advertising specialists recruited by Morris also received a small share, the sources said.

Squier, Knapp, Penn and Schoen did not return telephone calls Thursday and Friday.

Morris, in a telephone interview, refused to discuss the fee arrangements, which are not subject to federal disclosure laws. "Beyond what's in the FEC records," he said, "I won't elaborate."

Morris was paid \$231,034 by the Clinton campaign before his departure. But sources familiar with the arrangement said

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Morris received a substantial share of the corporation's fees, perhaps more than \$1 million.

"Dick Morris may have had his troubles elsewhere. But his bank account was not among them," one Democratic consultant said.

Penn and Schoen, in addition to their share of the November 5 Group fees, received separate payments of \$4.2 million from the DNC and the Clinton campaign.

It was Penn and Schoen who helped define the theme of Clinton's reelection. After testing various ideas with their polling, they sold Clinton and his strategy team on the campaign's most prominent slogan: "A bridge to the 21st century."

Squier and Knapp's firm, which received the lion's share of the estimated \$7.5 million, is also listed on FEC reports as receiving another \$6.4 million from the Clinton campaign and the DNC. By the estimates of campaign officials, at least half that amount went to pay for television ads the firm created and produced.

Corrado, the Colby professor who has done an exhaustive study of the fund-raising and the resulting spending, said the die was cast for such an expensive campaign well before the 1996 Clinton reelection campaign took shape. Clinton, buffeted by a GOP-inspired issues ad campaign, lost his chance to win passage of his health care reform package. Then the Republicans won control of the House and Senate in 1994.

"What happened in 1994, and in the health care debate, demonstrated the extent to which paid advertising on policy issues can affect the political views of the public in a way that cannot be offset later during a campaign," one of the Clinton campaign's principal strategists, who asked to remain anonymous, said on Friday.

Morris, brought in by Clinton, argued strongly that the Democrats run their own issues ad campaign in 1995, to bolster Clinton's image, put the GOP on the defensive and frighten away any potential intraparty challenger. Morris' view prevailed, and in 1995, the DNC spent more than \$20 million on issue advertising in battleground states.

"What we then saw in the 1996 campaign," Corrado said, "is that party organizations on both sides decided to expand the resources they devoted to media advertising, to issue advocacy ads. That unleashed both parties to raise - and spend - record amounts."

The resulting pressure to raise money, Corrado and others believe, created the climate in which fund-raising safeguards were abandoned, at least by the Democrats.

Said Morris: "It was like we were in a nuclear arms race, and in any operation of that sort there could be problems."

Morris said Clinton needed to advertise early and often because he trailed badly in the polls after the 1994 elections and the Republicans were winning the fund-raising race.

"The money was well spent because the president won in the most significant comeback in American history," Morris asserted. "You can't second-guess that."

But how the fees generated by that ad campaign were divided will remain largely a mystery. "Once the campaign gives the

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money to a recipient, it becomes private business," said Fauchaux, the Campaigns & Elections editor. "Then it's like asking Robert Shapiro how much money he made off O. J. Simpson."

This story ran on page A1 of the Boston Globe on 02/23/97.

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**ALL DNC TRANSFERS TO STATE DEMOCRATIC COMMITTEES AND
SUBSEQUENT DISBURSEMENTS TO SQUIER KNAPP OCHS COMMUNICATIONS
AND/OR THE NOVEMBER 5TH GROUP, INC.**

New Mexico Democratic Party

Date DNC Transferred to State Cmtee	from DNC Account (Fed/NF)	Amount Transferred to State Cmtee	Date Rec'd (Rptd by State Cmtee)	Amount Rec'd (Rptd by State Cmtee)	Date of State's Disburse	from State Cmtee Acc't (Fed/NF)	Amount State Disburse	Vendor
8/20/95	Fed	9,478.51	Not Rept	Not Rept	N/A	N/A	N/A	
8/20/95	NFI	<u>16,139.09</u>	Not Rept	Not Rept	N/A	N/A	N/A	
	TOTAL	25,617.60				TOTAL	N/A	N/A
12/7/95	Fed	733.00	12/22/95	733	N/A	N/A	N/A	
12/7/95	NFI	<u>1,248.00</u>	Not Rept	N/A	N/A	N/A	N/A	
	TOTAL	1,981.00				TOTAL	N/A	N/A
1/11/96	Fed 37%	10,967.00	1/19/96	10,967	1/19/96	Fed 38%	11,263.20	
1/11/96	NFC 63%	<u>18,673.00</u>	Not Rept	Not Rept	1/19/96	NF 62%	<u>18,367.00</u>	
	TOTAL	29,640.00				TOTAL	29,640.00	SKO
1/25/96	Fed 36.8%	8,140.00	1/25/96	8,140	1/29/96	Fed 38%	8,360.00	
1/23/96	NFC 63.2%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,640.00</u>	
	TOTAL	22,126.00				TOTAL	22,000.00	SKO
2/9/96	Fed 37%	8,214.00	2/9/96	8,214	2/13/96	Fed 38%	8,430.00	
2/9/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
2/20/96	Fed 37%	8,214.00	2/21/96	8,214	2/22/96	Fed 38%	8,430.00	
2/20/96	NFC	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
2/25/96	Fed 37%	8,214.00	2/26/96	8,214	2/27/96	Fed 38%	8,430.00	
2/25/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
3/5/96	Fed 37%	8,214.00	3/6/96	8,214	3/6/96	Fed 38%	8,340.00	
3/5/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
3/11/96	Fed 37%	8,214.00	3/14/96	8,214	3/14/96	Fed 38%	8,340.00	
3/11/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
3/19/96	Fed 37%	8,214.00	3/14/96	8,214	3/20/96	Fed 38%	8,340.00	
3/19/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
	TOTAL	22,200.00				TOTAL	22,200.00	SKO
3/26/96	Fed 37%	8,214.00	3/29/96	8,214	3/29/96	Fed 38%	8,340.00	
3/26/96	NFC 63%	<u>13,986.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>13,764.00</u>	
		22,200.00					22,200.00	SKO

Date DNC Transferred to State Cmtee	from DNC Account (Fed/NF)	Amount Transferred to State Cmtee	Date Rec'd (Rptd by State Cmtee)	Amount Rec'd (Rptd by State Cmtee)	Date of State's Disburse	from State Cmtee Acc't (Fed/NF)	Amount State Disburse	Vendor
4/3/96	Fed 37%	7,393.00	4/5/96t	7,393	4/5/96	Fed 36%	7,592.40	
4/3/96	NFC 62%	<u>12,587.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>12,387.60</u>	
		19,980.00					19,980.00	NV 5th
4/10/96	Fed 37%	6,305.00	4/12/96	6,305	4/12/96	Fed 36%	6,475.20	
4/10/96	NFC 62%	<u>10,735.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>10,564.80</u>	
		17,040.00					17,040.00	NV 5th
4/17/96	Fed 37%	7,393.00	4/19/96	7,393	4/19/96	Fed 36%	7,542.40	
4/17/96	NFC 62%	<u>12,587.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>12,387.60</u>	
		19,980					19,980.00	NV 5th
4/24/96	NFC	37,500.00	Not Rept	Not Rept	N/A	N/A	N/A	
4/25/96	Fed 37%	7,393.00	4/26/96	7,393	4/26/96	Fed 36%	7,542.40	
4/25/96	NFC 62%	<u>12,587.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>12,387.60</u>	
		19,980.00					19,980.00	NV 5th
5/1/96	Fed 37%	7,393.00	5/3/96	7,393.00	5/6/96	Fed 36%	7,592.40	
5/1/96	NFC 62%	<u>12,587.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>12,387.60</u>	
		19,980.00					19,980.00	NV 5th
5/14/96	NFC	10,000.00	Not Rept	Not Rept	N/A	N/A	N/A	
5/31/96	Fed 37%	12,950.00	6/3/96	12,950	6/3/96	Fed 36%	13,300.00	
5/31/96	NFC 62%	<u>22,050.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>21,700.00</u>	
		35,000.00					35,000.00	NV 5th
6/5/96	Fed 37%	6,346.00	6/7/96	6,346	6/7/96	Fed 36%	6,517.00	
6/5/96	NFC 62%	<u>10,804.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>10,633.00</u>	
		17,150.00					17,150.00	NV 5th
6/11/96	Fed 37%	10,406.00	6/13/96	10,406	6/13/96	Fed 36%	10,687.50	
6/11/96	NFC 62%	<u>17,719.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>17,437.50</u>	
		28,125.00					28,125.00	NV 5th
6/17/96	Fed 37%	14,014.00	6/18/96	14,0914	6/18/96	Fed 36%	14,392.50	
6/17/96	NFC 62%	<u>23,861.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>23,482.50</u>	
		37,875.00					37,875.00	NV 5th
6/24/96	Fed 37%	13,769.00	6/26/96	13,769	6/26/96	Fed 36%	14,141.32	
6/24/96	NFC 62%	<u>23,445.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>23,072.68</u>	
		37,214.00					37,214.00	NV 5th
7/1/96	Fed 37%	8,540.00	7/2/96	8,540	7/3/96	Fed 38%	8,771.16	
7/1/96	NFC 62%	<u>14,542.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>14,310.84</u>	
		23,082.00					23,082.00	NV 5th
7/8/96	Fed 37%	8,510.00	7/9/96	8,510	7/9/96	Fed 38%	8,740.00	
7/9/96	NFC 62%	<u>14,490.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>14,260.00</u>	
		23,000.00					23,000.00	NV 5th

Date DNC Transferred to State Cmtee	from DNC Account (Fed/NF)	Amount Transferred to State Cmtee	Date Rec'd (Rptd by State Cmtee)	Amount Rec'd (Rptd by State Cmtee)	Date of State's Disburse	from State Cmtee Acc't (Fed/NF)	Amount State Disburse	Vendor
7/22/96	Fed 37%	1,125.00	7/25/96	1,125	N/A	N/A	N/A	
7/22/96	NFC 62%	<u>1,875.00</u>	Not Rept	Not Rept	N/A	N/A	N/A	
		<u>3,000.00</u>						
N/A	N/A	N/A	7/24/96	3,145	N/A	N/A	N/A	
7/23/96	Fed 37%	2,640.00	Not Rept	Not Rept	7/24/96	Fed 38%	3,230.00	
7/23/96	NFC 62%	<u>5,355.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>5,270.00</u>	
		<u>7,995.00</u>					<u>8,000.00</u>	NV 5th
7/30/96	Fed 37%	4,625.00	8/2/96	4,625	8/2/96	Fed 38%	4,750.00	
7/30/96	NFC 62%	<u>7,875.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>7,750.00</u>	
		<u>12,500.00</u>					<u>12,500.00</u>	NV 5th
7/31/96	Fed 37%	3,225.00	Not Rept	Not Rept	N/A	N/A	N/A	
7/31/96	NFC 62%	<u>8,275.00</u>	Not Rept	Not Rept	N/A	N/A	N/A	
		<u>11,600.00</u>						
8/14/96	Fed 37%	2,470.00	Not Rept	Not Rept	N/A	N/A	N/A	
8/13/96	NFC 62%	<u>4,030.00</u>	Not Rept	Not Rept	N/A	N/A	N/A	
		<u>6,500.00</u>						
8/15/96	Fed 37%	1,983.00	8/20/96	1,983	8/20/96	Fed 38%	2,036.80	
8/15/96	Fed 37%	-1,983.00	Not Rept	Not Rept	N/A	N/A	N/A	
8/15/96	Fed 37%	1,983.00	Not Rept	Not Rept	N/A	N/A	N/A	
8/15/9	NFC 62%	<u>3,377.00</u>	Not Rept	Not Rept	N/A	NF 62%	<u>3,323.20</u>	
		<u>5,360.00</u>					<u>5,360.00</u>	

KEY

SKO Squier Knapp Ochs Communications
511 2nd Street, N.E.
Washington, D.C. 20002

NV 5th November 5th Group, Inc.
511 Second N.E.
Washington, D.C. 20002

DNC - NFI Democratic National Committee - Non-Federal Individual Account

DNC - NFUA Democratic National Committee - Non-Federal Unincorporated Association Account

DNC - NFC Democratic National Committee - Non-Federal Corporate Account

DNC - Fed DNC Service Corporation - Democratic National Committee - Federal Account

DNC - NFG

Democratic National Committee - Non-Federal General Account

DNC - NFMP

Democratic National Committee - Non-Federal MaxPac Account

Party Favors

In recent months, some state Democratic parties have been flooded with cash—provided by the Democratic National Committee—to pay for national campaign advertising. It's part of a back-channel operation that allows the DNC to sidestep federal limits on "soft"-money spending.

BY JAMES A. BARNES

Less than a year ago, the Democratic Party in Pennsylvania was flat on its back. Mired in \$200,000 in debts left over from the bruising 1994 election season, the headline in a July 23 edition of *The Philadelphia Inquirer* summed up the state party's anemic condition: "Pennsylvania Democrats low on luck, power, cash."

But since then, television stations from Pittsburgh to Philadelphia have been brimming with commercials paid for by the apparently broke state party extolling President Clinton's agenda and criticizing the performance of the Republican Congress.

How did this 97-pound weakling suddenly become the Charles Atlas of partisan advertising? Simple. The Democratic National Committee (DNC) is footing the bills. Since last July, the DNC has transferred more than \$2.8 million to the state party headquarters in Harrisburg, mostly to pay for the television spots. The Pennsylvania Democratic Party in turn paid the Democratic media consulting firm of Squier, Knapp & Ochs Communications in Washington roughly \$2.7 million from October through March, according to a review of reports filed with the Federal Election Commission (FEC).

According to the DNC press secretary Amy Weiss Tobe, the national committee wants its state affiliates to "take responsibility of sponsorship for the ads" and hold local press conferences and other "grass-roots" events to highlight the issues featured in the commercials. Thus, while press accounts of the cost of the national party's advertising campaign have run as high as \$20 million to date, FEC reports covering the latter half of 1995 and the first quarter of 1996 show that the DNC itself paid the Squier firm only about \$2 million. The vast majority of the ads have been purchased by state Democratic parties with the help of well-timed transfers of funds from the national committee.

This roundabout way of paying the state parties' bills has allowed the DNC to spend millions in "soft" money—funds raised from corporations, union treasuries and wealthy individuals—on party adver-

tising that the committee couldn't directly do without violating FEC regulations. If the DNC bought the same ads in the same media markets for the same amount of airtime, it would have to do so under much tighter federal allocation guidelines, which require a national party to pay for commercials with a much higher percentage of "hard" dollars—cash that can be legally spent to influence federal elections.

And it's important for a national party committee to conserve its resources for the fall campaign. Then, the DNC and the Republican National Committee (RNC) will each be allowed to spend \$12 million in hard dollars to cover the expenses of their standard-bearers, the only money that can be directly spent on the presidential campaign besides the roughly \$60 million that the two major party nominees will receive in public financing.

The Democrats don't have a monopoly on the creative uses of cash. And federal rules allow both national party committees to convey unlimited amounts of hard or soft money to their state parties. But in the current campaign season, the volume of the DNC's transfers far exceeds the RNC's.

As Congress considers a wide-ranging overhaul of campaign financing, some analysts point to the back-channel transfers to the state parties as still another flaw in the system. "This is a classic [instance of] let's-do-it-and-worry-if-there-are-any-consequences later," said Ellen S. Miller, executive director of the Center for Responsive Politics, a campaign finance watchdog group based in Washington. "It suggests a deliberate end run around the campaign finance laws."

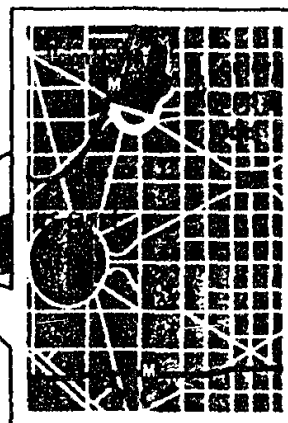
SPENDING IS THE HARD PART

For years, both parties' national campaign committees have pushed the soft-money spending rules to the limit.

In October 1990, the DNC accepted a \$230,000 contribution in soft money from Louisville newspaper publishing heiress Mary C. Bingham. Shortly thereafter, the DNC transferred \$215,000 to the Kentucky Democratic Party, which in turn paid

FOR THE DNC, A REWARDING ROUND-TRIP

The headquarters of the Democratic National Committee (DNC) is only a mile or so from the office of Squier, Knapp & Ochs Communications in downtown Washington. But when the DNC wanted to pay the political media consulting firm to produce commercials boosting the reelection of President Clinton, it sent its money to the Michigan Democratic Party in Lansing, which in turn made the payments to the Squier firm, as the data, from Federal Election Commission reports, make evident.



DNC Contributions to Michigan Democratic Party

Michigan Democratic Party to Squier, Knapp & Ochs Communications

Date	Nonfederal funds	Federal funds	Date	Total	Nonfederal share	Federal share
Jan. 12:	\$60,608	\$37,147	Jan. 16:	\$97,755	\$60,608	\$37,147
Jan. 23:	52,700	32,300	Jan. 26:	85,000	52,700	32,300
Feb. 9:	56,172	34,428	Feb. 13:	90,600	56,172	34,428
March 19:	56,172	34,428	March 20:	90,600	56,172	34,428
March 26:	56,172	34,428	March 28:	90,600	56,172	34,428

for an advertising blitz. Although they did not mention the name of Democratic Senate nominee Harvey Sloane, a friend of Bingham's, the ads' themes closely paralleled those of his campaign. A complaint filed by Common Cause, the self-styled citizens' lobby, against Bingham and the DNC died after the six FEC commissioners deadlocked along partisan lines.

In 1994, the National Republican Senatorial Committee (NRSC) made a \$175,000 soft-money contribution to the National Right to Life Committee, which in turn conducted get-out-the-vote drives in states where the Senate committee had already bumped up against spending lim-

its. A complaint against the NRSC, lodged by the Democratic Senatorial Campaign Committee, is pending.

"It's very easy for the treasurer at a national party committee to raise soft money—it comes in far greater amounts than people really ask for, or desire," said campaign finance attorney William B. Canfield, a partner in the Washington office of Holland & Knight, a Florida law firm. "It takes the creative treasurer to figure out how to spend it once it's collected," said Canfield, the NRSC's general counsel from 1989-90. "The acquisition of it is the easy part, the expenditure, lawfully, is the tough part."

The door for soft-money spending was opened by two changes in the campaign finance laws in 1979. That year, Congress amended the Federal Election Campaign Act (FECA) to allow state party committees to spend money on grass-roots efforts (voter registration drives, for instance) and on campaign materials (such things as buttons and bumper stickers).

Post-Watergate reforms had so tightened the financing of the 1976 elections that both Democratic and Republican state and local party officials complained that the presidential campaigns wanted to spend money only on television advertising and were loath to divert any resources



In 1995 alone, the DNC shifted almost \$11.4 million in soft money to state parties.

to generic activities that benefited the rest of the party's ticket.

So Congress decided that when a state party conducted a generic activity such as a voter registration drive, only a portion of the drive's costs had to be paid for from contributions raised under the FECA limits. The rest of the money could come in amounts (from wealthy contributors) or from sources (corporate and labor union treasuries) that federal candidates couldn't accept under the FECA limits but that were legal for state parties to raise under their own states' laws. These contributions became known as soft money.

After Congress amended the campaign finance laws, the FEC ruled that the national party committees could also maintain a nonfederal account to pay for a portion of their administrative expenses, so long as the soft money raised for the account was not spent directly on federal races. An FEC decision in 1984 expanded the permissible uses of soft money to include television advertising by a national party committee that did not mention specific candidates but instead promoted general party themes.

Republicans were the first to capitalize on the new soft-money rules, spending some \$15 million in 1980 on such generic party activities as voter registration and turnout drives. By 1988, however, each party was spending more than \$22 million in soft money for generic activities. Nearly all of this, it was estimated, was harvested by fund raisers for the two major party presidential

nominees working at the DNC and RNC. Much of the soft money was transferred to state parties to conduct generic voter activities that were directed by operatives at the national committees largely to benefit the top of the ticket.

Even before 1988, critics of soft money were clamoring to prohibit its use in connection with federal elections. In 1987, Common Cause obtained a court order requiring the FEC to issue tighter regulations on the use of soft money by the parties. Starting with the 1991-92 campaign season, when national parties conducted generic voter activities during an election year they had to allocate at least 65 per cent of the cost of those efforts to a federal or hard-dollar account.

In other words, a \$1,000 generic activity had to be paid for with \$650 from a party's federal (hard-dollar)

account and \$350 from the party's non-federal (soft-dollar) account. Under previous FEC rules, the national parties only had to come up with their own accounting standards of "any reasonable method" for allocating the costs of generic activities between their federal and nonfederal accounts.

State parties, however, were given more lenient allocation guidelines for generic activities by the FEC, which traditionally has been sensitive to the notion that as a federal agency, it should not be in the business of trying to regulate nonfederal political endeavors. The commission decided that a state party could allocate the cost of a generic activity that it paid for based on the ratio of federal to non-federal candidates on a state's November ballot.

Thus, in a state where the ballot included candidates for two types of federal races—say, presidential and congressional—and candidates for four nonfederal offices, the state party could pay for 67 per cent of generic activities with soft dollars.

But most state parties are still poor cousins compared with the national committees in Washington when it comes to raising either hard or soft dollars. The DNC and the RNC have developed sophisticated direct-mail programs that churn up millions in hard-dollar contributions from donors around the country. And the prospect of rubbing shoulders with a President or a party's presidential

nominee at a glitzy national fund raiser is an enticement for business executives—who can dash off \$100,000 soft-money checks from their individual or corporate bank accounts—that state parties can't match.

Still, the state parties benefit handsomely from fund raising conducted at the national level. This is because FECA regulations allow the national party committees to transfer unlimited amounts of hard and soft money to their state parties. The two entities are seen by the FEC as being part of the same political family.

THE FLOOD OF '96

In every election campaign period, soft money flows from the party high commands in Washington out to the states. During the 1991-92 season, the DNC transferred roughly \$9.5 million to state and local party organizations; the RNC shifted about \$5.4 million. (Almost all of these transfers go to state parties.) During the 1993-94 cycle, the DNC transferred \$10.9 million to the states, while the RNC shifted \$7.6 million.

During the current campaign cycle, the money stream—and the Democratic contribution in particular—has turned into a torrent. In 1995 alone, according to FEC reports, the DNC transferred almost \$11.4 million in soft money to state parties. And a review of FEC reports for three of the DNC's soft-money accounts shows that an additional \$6.4 million was conveyed to the states during the first quarter of 1996. The RNC, by comparison, reported shifting only about \$2.4 million to the states from Jan. 1, 1995, through Feb. 29 of this year.

The media firm of Squier, Knapp & Ochs, headed by Robert D. Squier, has received a substantial portion of the Democratic advertising dollars, but most of that money pays TV stations for airtime. Squier, one of the party's leading media consultants, is also paid by the Clinton/Gore '96 campaign committee, and his latest ad for the President's reelection effort emphasizes many of the same points found in the ads that he produced for the DNC.

In an interview, Squier said that the Clinton campaign expects that the RNC will soon be matching Democratic ad spending, dollar for dollar, in key states. He dismissed the idea that 1996 could see his firm set a record for presidential campaign consulting fees. "That's ridiculous," he said.

Some of the President's other political consultants, including pollster Dick Morris, get a small slice of the national party's advertising expenditures for their creative and production input into the DNC's ad blitz.

A review of FEC reports of the receipts and expenditures of a dozen state Democratic parties from July 1, 1995, through March 31, 1996, indicates that the state entities operate as a little more than a pass-through for the DNC to pay for the production and broadcasting of ads by Squier, Knapp & Ochs, thus avoiding the tighter FEC allocation rules on soft money spent directly by a national party committee.

A striking example of the efficiency of these pass-through operations comes from a review of the flow of funds in and out of the Michigan Democratic Party during the first quarter of this year. On five separate occasions, the DNC shifted cash from both its federal and nonfederal accounts to the Michigan Democrats.

But that money didn't stay put very long. Within days of each transfer, the Michigan Democrats wrote a check in the same amount to the Squier firm to pay for pro-Clinton ads. Moreover, the proportion of hard and soft dollars that the Michigan Democrats used to pay Squier was exactly the same as the hard and soft-dollar transfers from the DNC. (For details of the Michigan pass-through, see box, p. 1039.)

All told, the DNC conveyed \$172,731 from its federal (hard-dollar) account and \$281,824 from its nonfederal (soft-dollar) account to the Michigan Democrats. That's exactly the same ratio as the FEC allocation formula that applies to the cost of generic activities paid for by the Michigan Democrats this year, 38 per cent hard dollars and 62 per cent soft dollars. If the DNC had directly paid for those ads in

Michigan, its 65.35 FEC allocation formula would have required the committee to spend \$295,461 in hard dollars and \$159,094 in soft dollars.

"I think the DNC has creatively used a loophole which has existed in the statute for years to put ads on at a favorable [allocation] rate, more favorable than if they paid for the ads directly themselves," former NRSC general counsel Canfield said.

Using state parties to purchase its ads has produced hard-dollar savings for the DNC. A review of DNC transfers to just six state parties—California, Florida, Illinois, Michigan, Ohio and Pennsylvania—and the media expenditures by those parties during the second half of 1995 and the first quarter of 1996 reveals a huge hard-dollar windfall to the DNC.

The DNC shifted both hard and soft dollars to the six states, which paid more than \$10 million to Squier's firm for advertising. If the DNC had paid directly for the spots run in those six states, it would have cost the committee nearly twice as many hard dollars—roughly \$6.4 million—as the six state parties spent on the ads. The state parties could spend \$3 million more in soft money than the DNC could because the FEC's allocation formulas for all six state parties allow them to spend a higher percentage of soft dollars on generic activities, which can include television advertising.

And faced with the task of setting aside \$12 million in its federal account to pay for Clinton campaign expenditures during the general election, it's critical for the DNC to conserve hard dollars when and where it can.

According to DNC spokeswoman Tobe, the idea of trying to husband hard dollars is not what motivated the DNC to shift funds to the state parties and have them pay for Squier's ads. "As far as I'm aware, the original thought of doing it this way has nothing to do with allocation and everything to do with grass roots," she said.

Other campaign finance experts challenge that explanation. "It is not as if this money is going to water the grass roots," the Center for Responsive Politics' Miller said. "The state parties have become funnels for the national parties."

"Based on the [Michigan] numbers, you can certainly make a good case that these are funds that really are Democratic National Committee funds, and it's something of a legal fiction to say that these are expenditures by the state party," said former Republican FEC commissioner Trevor Potter, a partner in the Washington law firm of Wiley, Rein & Fielding. "It's an ingenious attempt to change the mix of funding sources," said Potter, whose firm, although not he, represents all three national Republican Party committees on campaign finance matters. "It obviously raises the question of whether a party committee can do indirectly something that it's not permitted to do directly."

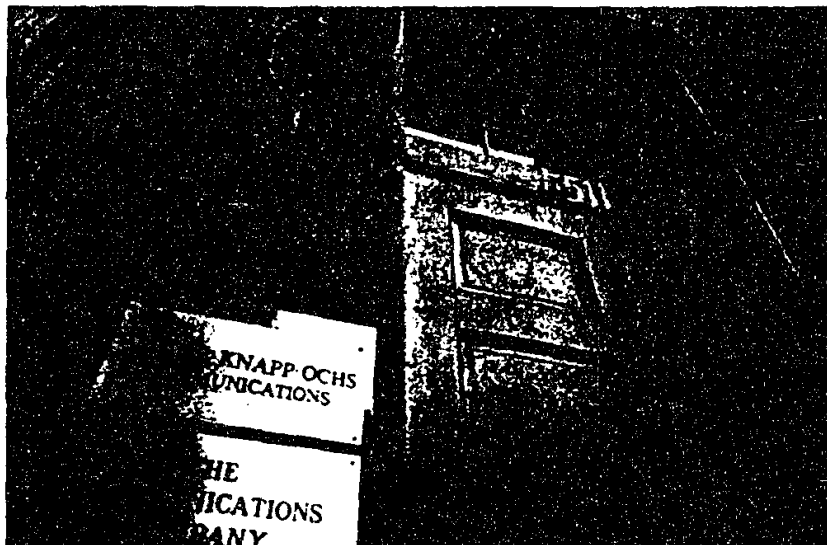
State Democratic officials offer different accounts of how involved they are in the ads. "We pay for them," Pennsylvania Democratic Party spokeswoman Kelly McBride said. Asked about DNC transfers to the state party and what, if any, role the party has in producing or placing the ads, Kelly would only say, "The state party cooperated with the national party to produce those commercials."

"Those aren't ours; those are the DNC's," Florida Democratic Party communications director Jo Miglino said when asked about party advertising in her state.

In the case of Illinois, who decides which media markets to purchase advertising in and how much to spend? "The DNC and Squier kind of review the numbers and the points," state Democratic Party press secretary Barbara Guttman said. "The DNC pays for it."

Wisconsin Democratic Party chairman Mark Sostarich said that Democratic officials in his state have held press conferences to reinforce the messages of the DNC ads. Sostarich noted that the state party must give final approval before any of the ads are broadcast in Wisconsin. So far, he hasn't turned down any offers by the national committee to run ads in his state.

Asked about the authority his state organization had over the ads, Missouri party communications director Tony Wyche said, "We have to agree to do it." But he added, "It's just a technicality."



John Fawcett

Squier, Knapp & Ochs Communications is producing campaign spots for state Democratic parties that pay their bills with cash from the DNC

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**On Tape, Clinton Links Lead in
Polls, Issue Ads***By Susan Schmidt and Lena H. Sun*

Washington Post Staff Writers

Thursday, October 16, 1997; Page A01

The Washington Post

President Clinton can be seen on a newly released fund-raising videotape telling a group of major Democratic Party donors last year that a nationwide campaign of televised issue ads was boosting his standing in the polls. The tape seems to support assertions that the ad campaign was intended not simply to promote issues important to the Democrats but to strengthen the president's reelection campaign and bypass strict spending limits imposed on federal candidates.

"Many of you have given very generously and thank you for that," the president told party donors invited to the May 21, 1996, White House lunch recorded on the tape. "The fact that we've been able to finance this long-running constant television campaign . . . where we're always able to frame the issues . . . has been central to the position I now enjoy in the polls," said Clinton. The ads, said the president, had helped him "sustain an unbroken lead for five and a half months."

Clinton's comment to that group of Democratic National Committee donors was one of many fund-raising scenes to emerge yesterday in a 90-hour videotape archive discovered by the White House in recent days. The 66 videotapes and 121 audio tapes were turned over to the Justice Department and congressional committees in batches late Tuesday and yesterday.

The advertisements Clinton refers to in the tapes are a key component of the ongoing investigations into campaign financing because they were paid for by "soft money" -- funds that are supposed to be used strictly for party-building and not to promote individual candidates.

While the legal rules on the subject are murky, Clinton's comments could add new fuel to arguments that the advertising was a blatant end-run around the spending restrictions and offer a sharp contrast to party officials' repeated public statements that the advertising effort was

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not focused on Clinton's reelection.

In other tapes made available to reporters yesterday, Clinton can be seen socializing with some of the central figures in the campaign finance controversy -- among them John Huang, Yah Lin "Charlie" Trie, Pauline Kanchanalak, James Riady and Johnny Chung. The DNC has had to return about \$3 million in contributions, the bulk raised by Huang, Trie and Chung, because of concerns that the money came from foreign or other improper sources. The tapes show at least two instances in which Clinton acknowledged that some of the guests at a fund-raising event were from foreign countries.

White House spokesman Lanny J. Davis said the videotapes show the president as leader of his party. "These events, all of them, confirm what we have always said: that these events were legal and appropriate."

The Senate Governmental Affairs Committee is examining the role of soft money and the extent to which it may have been used to boost Clinton's reelection bid.

The advertising effort was done by the same media team that handled Clinton's reelection campaign and was tightly controlled by Clinton and his chief aides.

Groups such as Common Cause have long argued that the advertising campaign was an ill-disguised bid to ensure Clinton's return to office. They allege it was an illegal effort to evade the strict spending limits for campaigns.

The DNC has defended the advertising campaign, which totaled \$44 million in 1995 and 1996, as legitimate "issue advocacy" intended simply to educate voters on matters of public importance and boosting the Democratic Party as a whole.

In the videotape of the DNC dinner at the Hay-Adams Hotel, however, Clinton makes clear he believed his campaign was benefiting from those ads. "In the last quarter of last year, I think Marvin [Rosen, DNC finance chairman] said, we spent about \$1 million per week to advertise our point of view to somewhere between 26 and 42 percent of the American electorate," Clinton can be heard telling donors on the tape. "[These] markets had the largest number of persuadable voters. . . . The lead that I enjoy today in public opinion polls is about one-third due to that advertising."

In July 1995, polls showed Clinton and Republican Robert J. Dole in a dead heat, with 48 percent each. By the time Clinton made his remarks, he had a commanding lead of 20 percentage points.

Fred Wertheimer, the lead attorney representing Common Cause in its effort last year to get an independent counsel

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investigation of the issue ads, said he was uncertain what legal impact Clinton's comments will have. "But," he said, "in practical terms it confirms the position we have long taken, that the TV ad campaign run by President Clinton and his aides were candidate ads, not political party ads and therefore were illegal," he said.

In other videotape scenes, Clinton can be seen fraternizing with several controversial DNC fund-raisers who are now suspected of raising money from illegal foreign sources.

At an Asian American fund-raising event Feb. 19, 1996, at the Hay-Adams, Clinton refers to "my good friend John Huang," and thanks him for putting on the dinner. "I have known John Huang a very long time. . . . And when he told me that this event was going to unfold as it has tonight, I wasn't quite sure I believed him, but he's never told me anything that didn't come to pass."

At a May 13 dinner, Clinton thanked Huang and then turned his attention to former Little Rock restaurateur Trie, who was seated next to the president. "It's been 20 years since I had my first meal with Charlie Trie. At the time, neither one of us could afford a ticket to this dinner," joked the president. Trie has since left the country in the wake of allegations he helped funnel illegal contributions from China.

Clinton said his remarks were "to those of you here and those who have come from other countries to be with us tonight."

Also featured on the videotapes was California businessman Johnny Chung, who escorted six Chinese executives from state-owned and private businesses to the Oval Office to watch Clinton deliver his weekly radio address.

"Hi Johnny! How are you? Good to see you," the president exclaimed.

James Riady, of the Indonesian Lippo Group, appears on the videotapes only twice, according to White House officials. At a radio address Sept. 10, 1994, before Clinton went to Indonesia for the Asian economic summit, Clinton can be seen having a lengthy but inaudible discussion with Riady and Huang. At a radio address on June 24, 1994, Riady, his wife, Aileen, and their four children are introduced to the president.

One videotape showed Clinton discussing foreign policy at a fund-raiser during a controversial July 30, 1996, dinner at the Jefferson Hotel. Two of the four wealthy Asian businessmen he dined with were not legal residents of the United States and therefore not able to make contributions. They were Riady and Taiwan insurance billionaire Eugene Wu. Clinton talked about his decision to send carriers into

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